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NEWS SUMMARY

GENERAL

Fear for ship repair jobs

British Shipbuilders told shipbuilding unions yesterday that about 1,400 jobs are at risk in the repair division because a vital order has almost certainly been lost.

The orders, for repair work to six ships for U.S. Delta, will almost certainly not be placed following the sale of the company to Crownay Maritime, another U.S. company. If the order had been won, there would have been 900 lay-offs.

The company is to meet shop stewards tomorrow.

Polish deaths

Two demonstrators were killed and 12 injured when Polish security forces fired into a crowd on Tuesday at Lubin, Western Poland. Up to 75,000 people throughout the country demonstrated in support of the Solidarity union, officials said. Back Page

Thatcher jeered

The Prime Minister Margaret Thatcher faced a crowd of jeering demonstrators outside a Glasgow hotel before meeting trade union leaders. Police arrested a Labour MP who approached her shouting and waving him arms.

Schmidt attack

West German Chancellor Helmut Schmidt yesterday challenged the liberal Free Democrats to tell him to his face if they wanted to desert the ruling coalition. Page 2

PLO to fight on

The PLO will continue to struggle for an independent state by all methods, its leader Yasser Arafat said on arriving in Greece from Beirut. He is due to go to Tunisia or Morocco.

Inquest verdict

A coroner recorded a natural causes verdict on Mrs Lesley Watson from Hartlepool who died in a police van during a strike by ambulancemen. NHS strike Page 7

Expulsion threat

The 30 ambulancemen in Derbyshire who defied an 11-day strike by their colleagues have been sent to coventry by their union Nupe and face expulsion later this month. Page 7

N. Ireland cost

Policing Northern Ireland this year is expected to cost nearly £209m, the Royal Ulster Constabulary said. Two policemen were hurt, one seriously, following further violence in Londonderry.

Greek 'torture'

A UK Euro-MP is to urge the Greek Government to reopen the case of Christine Pitcher, a Briton in jail without trial on drug charges since January, who says Greek police tortured her.

Socialist pledge

Spain's Socialist Party, tipped to win next month's election, said it would demand changes in the U.S.-Spanish defence pact signed in June.

Immunise call

The number of whooping cough cases rose to 1,941 last week. Health Secretary Norman Fowler urged parents to immunise their children.

Briefly . . .

Wladyslaw Gomulka, former Polish leader, died aged 77. Obituary, Page 2

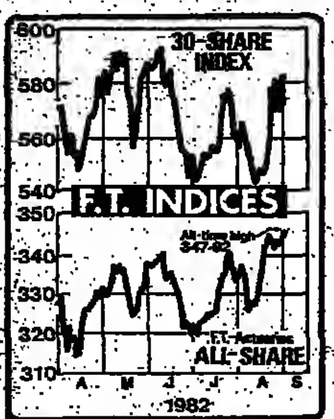
A victory parade and banquet for the Falklands war will be held in London on October 12.

Iran executed 12 people in the past week, a Tehran newspaper reported.

BUSINESS

Equities add 8.9; gilts up by 0.45

● EQUITIES gained through the day. The FT 30-share index added 8.9 to 581.6. The FT-



Actuaries all-share index rose 1.3 per cent to an all-time high of 347.92. Page 25

● GILTS revived from recent easiness. The Government Securities index put on 0.45 to 77.88. Page 25

● DOLLAR fell to DM 2.491 (DM 2.501), FFr 6.9825 (FFr 7.0235), SwFr 2.121 (SwFr 2.1335) and Y258.9 (Y261.475). Its trade weighted index was 121.5 (121.7). Page 26

● STERLING rose 40 points to $1.721. But it slipped to DM 4.29 (DM 4.2925), FFr 12.015 (FFr 12.06) and SwFr 3.6525 (SwFr 3.6625). Its trade weighted index was 91.6 (91.4). Page 26

● GOLD fell $11 to $402.5 in London. In New York the Comex September close was $403.9 ($408.6). Page 20

● WALL STREET was down 5.80 to 895.51 near the close. Page 23

● SPANISH share values fell for the second day running in a selling wave prompted by the prospect of a general election on October 28. Page 2; Page 24

● FRENCH BUDGET featured tight control of public expenditure. Back Page; Editorial Comment, Page 14

● U.S. and Switzerland signed an agreement which will allow U.S. officials access to secret Swiss bank accounts during insider dealing investigations. Back Page

● UK GOVERNMENT has decided to ignore calls by London bankers for an early lifting of economic sanctions against Argentina. Page 4

● DEUTSCHE BP, West German subsidiary of British Petroleum, has concluded the group's first long-term crude oil supply contract with Saudi Arabia. Page 4

● WEST GERMAN Government agreed to put up a loan guarantee of up to DM 1.1bn (£256m) for AEG-Telefunken. Page 2

● BIOTECHNOLOGY Investments, set up last year by N. M. Rothschild, invested only about one-third of its funds in its first 12 months. Page 6

● SUN ALLIANCE Insurance half-year underwriting losses rose to £49.9m (£8.6m). Guardian Royal Exchange reached £40.4m (£21.8m) and Phoenix Assurance £27.3m (£13m). Back Page and Lex; Details, Page 16

● MIM HOLDINGS, Australian base metal mining group, reported a net loss of A$10.37m (£5.8m) for the year to June 30, against a profit of A$106.37m. Page 18

● BABCOCK International, engineering and contracting group, lifted taxable profits from £3.44m to £8.27m for the half year to July 4. Page 19; Lex, Back Page

Big deficiency found in assets of Alexander Howden

BY JOHN MOORE, CITY CORRESPONDENT

THE WORLD'S second largest insurance broker, Alexander & Alexander Services of the U.S. has discovered a multi-million dollar deficiency in the assets of its British subsidiary, Alexander Howden Group. The U.S. group disclosed yesterday that it would need to transfer up to $25m (£14.6m) to Howden's insurance company, Sphere Drake.

In one of the biggest upsets for years in insurance markets in the U.S. and the UK, Alexander & Alexander, one of the top five producers of Lloyds' insurance business, said yesterday that the appropriate regulatory authorities had been notified on both sides of the Atlantic. In addition "various legal remedies and insurance claims are being considered."

Alexander & Alexander has discovered irregular accounting practices and business transactions. It has found that Alexander Howden arranged "reinsurance transactions with companies which were owned and controlled on an undisclosed basis by four persons who have now ceased to be directors or officers of Howden."

Howden is a leading reinsurance broker, arranging insurance protection for other insurance interests. In addition it has a number of insurance companies in its empire which has more than 200 subsidiaries or associate companies. It also has extensive Lloyd's of London interests, as an approved Lloyd's insurance broker and is the manager of 17 underwriting syndicates at Lloyd's. It manages the largest marine insurance syndicate, number 127, which has more than 3,000 members of Lloyd's participating in its business.

Howden reinsures large parts of the business of syndicate 127 with its own insurance interests. It is understood that one of the companies involved in the reinsurance programme of syndicate 127 was Southern International Real Estate, based in Panama, in which four Alexander Howden senior employees held shares "on an undisclosed basis."

It is understood that Mr Ian Posgate, the star underwriter of Alexander Howden Group, has insisted that all the outstanding obligations of Southern International should be transferred to Sphere Drake. So far it is believed that Southern has paid up to $9m in reinsurance claims made against it by syndicate 127 on computer leasing insurance business.

Alexander & Alexander said that existing reinsurance transactions with the groups formally controlled by Alexander Howden executives are being voided. It is attempting to recover funds spent by Howden and is seeking to obtain other reinsurance.

Alexander & Alexander revealed that it had obtained a settlement agreement with the officers of Howden involved in the reinsurance transactions to transfer assets to Howden. But the U.S. group said that since reaching that agreement "certain assets to be transferred under the agreement have not been received. In addition, the value of some of the assets received appears to be less than originally contemplated." Moreover, the cost of replacement reinsurance contracts is likely to be greater.

The assets of Howden insurance companies will not be sufficient to meet the liabilities. The deficiency in the net tangible assets of Howden, which was bought by the Americans for £150m earlier this year, "is currently estimated to be not more than $25m before tax."

Alexander & Alexander is still carrying out an emergency audit into the group. But yesterday it said that adjustments would also be required in the

Continued on Back Page

Israeli cabinet to meet on U.S. Palestine policy

BY DAVID LENNON IN TEL AVIV AND ANATOLE KALETSKY IN WASHINGTON

ISRAEL'S CABINET is due to meet in emergency session this morning to decide how to react to what it sees as an unfavourable U.S. policy initiative on the Palestinian issue.

This is understood to advocate a halt to Israeli settlements in the West Bank and Gaza Strip and an establishment of strong links between these Israeli-occupied territories and Jordan.

Israeli officials said the new policy lines were in a letter President Reagan sent to Mr Menahem Begin, Israel's Prime Minister, dealing with ways of reviving negotiations on autonomy for the Palestinians living in the West Bank and Gaza Strip.

Israel's initial response yesterday was to say President Reagan's ideas violated many provisions of the Camp David accords.

In the U.S., the President said he would make a televised statement on Middle East policy, outlining "some principles and ideas" which should guide the peace negotiations' next phase. Administration officials insisted, however, there were no plans to move U.S. policy out of the Camp David framework.

At official briefings the White House and State Department insisted the President's letter was part of a regular series of communications between the U.S. and Israeli governments.

They said the broad review of U.S. Middle East policy, announced by Mr George Shultz, Secretary of State, soon after his appointment, was still not completed.

Mr Begin is interrupting his holiday to chair the cabinet's emergency session, which indicates how seriously he views the President's ideas. Several Israeli politicians said yesterday Israel should be prepared for direct confrontation with Washington over the future of the West Bank and Gaza Strip.

Jerusalem was most alarmed by the U.S. President's reported reference to the need for a strong link between the occupied territories and Jordan. The President also advocated a halt to all settlement activity in the territories during autonomy negotiations and the five-year interim period supposed to follow under Camp David agreements.

Having captured the West Bank in the 1967 war, Israel does not want to see Jordan returned to control of a territory the Begin government regards as part of the biblical land of Israel and has pledged not to relinquish.

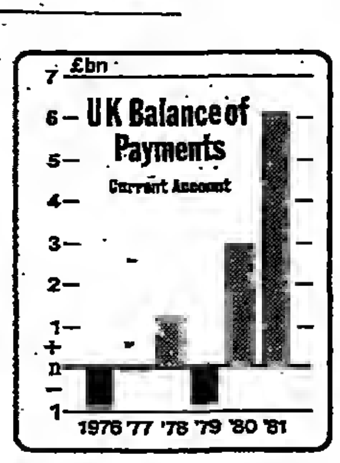
Professor Moshe Arens, Israel's Ambassador to Washington, told a Knesset committee yesterday Israel should not fear direct confrontation with Washington.

The presence in Israel of Mr Casper Weinberger, U.S. Defence Secretary, who arrived last night from Lebanon, may accelerate the confrontation. Israel considers him her harshest critic in the Administration.

U.S. troops will "pull out soon; Page 3

Estimate of UK surplus for 1981 cut by £2bn

BY MAX WILKINSON



THE OFFICIAL estimate of Britain's balance-of-payments surplus for last year has been cut by £2bn to £6bn, according to figures published yesterday.

The estimate has been revised because the rather optimistic view taken last autumn and in the early part of this year was based on incomplete figures.

Even after revision, however, the current account surplus for calendar 1981 remains the largest since the war. North Sea oil contributed strongly, while the depressed state of the economy tended to hold back imports.

Recent figures published after a long delay, however, show that imports increased rapidly during the latter part of 1981 as the run-down in stocks came to an end.

The growth of imports, particularly manufactured goods, and the dull performance of exports which has shown up in figures in the earlier part of this year has been underlined by the downward revision of the 1981 estimates. The combination has been behind the more pessimistic view of the prospects for recovery in most recent forecasts, particularly that from the Confederation of British Industry.

Yesterday's estimate of the 1981 balance of payments surplus comes from the "pink book," published by the Government Statistical Service. It is the first official estimate to be based on a nearly complete set of trade figures, following the

Continued on Back Page

Mexico nationalises private banks

By William Chislett in Mexico City and Peter Montagnon in London

MEXICO'S President, Jose Lopez Portillo yesterday decreed the nationalisation of the private Mexican banking system and imposed total exchange controls in a drastic move to end currency speculation which has left the country on the verge of bankruptcy.

Mexico's two largest private sector banks control nearly half the country's $62bn (£36.5bn) total banking market. At June 30 Banco Nacional de Mexico had total assets of $14.4bn and net worth of $421m at the then prevailing exchange rate of pesos 46 per dollar.

The second largest bank, Bancomer, had total assets of $14.1bn and net worth of $412m. Other banks are much smaller—the third largest private bank, Banca Serfin, had total assets of $6bn and net worth of $147m.

The nationalisation move surprised the country's business community. The Stock Exchange was closed yesterday for a national holiday, however the market is expected to be thrown into disarray today when it is reopened.

The President, giving his last state of the nation address, before handing over to president-elect Miguel de la Madrid on December 1, said the country's "critical" situation made the nationalisation necessary.

"It is now or never," he said. "They (referring to the banks) have looted us. Mexico is not finished. They will not loot us again."

Sr Lopez Portillo blamed the private banks for subordinating the nation's interests to those of their own and accused them of fomenting and providing mechanisms for the massive outflow of capital.

The President's strong words underscored the size of Mexico's economic crisis, which has been caused by capital flight; the crippling burden of servicing a total external debt of $80bn, and falling oil revenues.

The President made it clear that shareholders in the banks would be "justly" compensated and that investors' deposits in the banks would not be seized.

Observers said the Government had been forced into creating an air-tight system to avoid further outflows of capital and was convinced this was only possible through the nationalisation of the banks and extending exchange controls.

Sr Lopez Portillo said his Government had good reason to believe that Mexicans held at least $14bn in U.S. bank accounts and that they owned

Continued on Back Page

Down and out in debt-ridden, Mexico Page 4

Nott to retire from politics at next election

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

MR JOHN NOTT, the Defence Secretary, is to retire from politics at the next general election. He will, however, stay on as Defence Secretary for the time being.

Last night Mr Nott told his constituents in St Ives, Cornwall, that he would not seek re-election. He said he had told the Prime Minister last December of his desire to leave politics and pursue a career in business, but had been persuaded by her to postpone any announcement of his plans until this summer. He wanted to give his constituents time to find a successor.

Mrs Margaret Thatcher, who met Mr Nott for 30 minutes at Downing Street yesterday morning, subsequently issued a statement confirming that she had known of his plans since December.

"I understand and respect the reasons which have prompted him to make public his decision now," she said. "He will continue as Secretary of State for Defence as a most valuable and trusted member of the Cabinet."

Yesterday's announcement came as no great surprise in Westminster. Mr Nott was known to have been depressed and frustrated in the job for some months, particularly over his defence budget battles with the Treasury.

Brought in as Defence Secretary in January 1981, specifically to implement the spending cuts at which his predecessor, Mr Francis Pym, had baulked, he is reported at one stage to have told the Prime Minister angrily that he had been set an "impossible task."

After a disastrous Commons performance at the start of the Falklands crisis, he felt deserted by everyone on the Tory benches and, say his colleagues, came to feel he had few friends in the party. Though he remained in the war cabinet throughout the Falklands crisis, he was believed to have felt he was no longer a member of the Prime Minister's inner circle on other matters.

His views on the economy, where he was earlier regarded as a hardline monetarist and on the Falklands, where he was considered more open than the Prime Minister to attempts at mediation, were felt to be increasingly ambivalent and unpredictable.

"It was hard to know where he stood," one Cabinet colleague commented yesterday, "because he had retreated into almost total isolation."

Mr Nott's announcement has inevitably revived speculation on the possibility of a Cabinet reshuffle at more senior level than has been expected.

Mr Peter Walker, the Agriculture Secretary, is already being tipped as a possible successor. He is known to want the job. Other names include Mr Michael Heseltine, the Environment Secretary and Mr George Younger, Secretary for Scotland.

However, Mr Nott is known to wish to stay in his post until completion of the current defence White Paper, publication of which was delayed to take account of the Falklands crisis.

He remains committed to the paper's initial emphasis on defence against a Soviet threat and appears determined to see it through in the face of mounting pressure from the naval lobby.

While some of his Cabinet colleagues doubt whether he will now have sufficient authority to complete the task and feel it might be wiser to move him before Parliament resumes sittings on October 18, Downing Street was last night adamant that there were no plans for any major Cabinet changes involving him.

This does, however, mean that the lower level ministerial changes expected in the next few weeks may be the prelude to a more radical shake-up in the New Year.

Commenting on the announcement yesterday, Mr John Silkin, the Shadow Defence Secretary, wished Mr Nott success in his new business career. "He is an intelligent and a nice man," he said. "But he was a bad Defence Secretary and it is a great pity the Prime Minister did not accept his resignation when it was first offered."

Mr Nott entered Parliament in 1966 as the Member for St Ives, which he retained with a comfortable 13,716 vote majority (33.1 per cent) at the last general election.

As Minister of State at the Treasury in Mr Edward Heath's Government, he became increasingly unhappy and critical of the increase in the money supply. His relations with Mr Heath grew into an open rift and he refused a front bench position after the Conservative defeat in February, 1974. He subsequently backed Mrs Thatcher in the contest for the leadership.

Men and Matter, Page 14

£ in New York

—	Aug. 31	Previous
Spot	$1.7150-7070	$1.7075-7095
1 month	0.01-0.01 dis	0.05-0.01 dis
3 months	0.30-0.35 pm	0.32-0.37 pm
15 months	3.25-3.40 pm	3.40-3.55 pm

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Bat Inds	510	+ 22
Babcock Intl	120	+ 6
Barclays Bank	368	+ 12
Diploma	297	+ 21
Gill and Duffus	127	+ 10
GUS A	535	+ 13
GRE	312	+ 10
Heelamat	83	+ 6
Home Charm	196	+ 8
ICI	282	+ 6
Mercantile House	408	+ 18
Midland Bank	312	+ 8
Ocean Transport	87	+ 8
Reckitt and Colman	320	+ 10
Siebe Gorman	217	+ 9
Standard Chartered	385	+ 16
Vickers	148	+ 5
BP	302	+ 6
LASMO	375	+ 15
Shell Trans.	412	+ 8
Cons Plants Wrts	105	+ 14
Ayer Hitam	155	+ 15
Berjuntai	130	+ 10
Doornfontein	£10¼	+ ¼
Gopeng Cons	285	+ 15
Sungei Besi	155	+ 20
Tronoh	155	+ 15
FALLS		
English China Clays	148	− 9
Marchwiel	138	− 9
Sun Alliance	750	− 10
Gencor	880	− 20
Jo'burg Cons	£34¼	− 1¼
RTZ	430	− 8

CONTENTS

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Count Lambsdorff: target of Schmidt's anger

Simmering Bonn row boils over in public

By Our Bonn Correspondent

THE WEST GERMAN Chancellor, Herr Helmut Schmidt, has thrown down the gauntlet before Free Democrat party members of his government, challenging them to tell him to his face if they want to desert the coalition.

Herr Schmidt's action came at a cabinet meeting yesterday when the long-simmering discontent between the Social Democrat and Free Democrat partners finally rose to boiling point.

The Chancellor made clear he had been "astounded and irritated" above all by statements of the liberal Free Democrat Economics Minister, Count Otto Lambsdorff, about the future of the coalition and the budget outlook.

He stressed he had been re-elected Chancellor in 1980 with the votes of the Free Democrats and his own Social Democrat Party, that both parties had given him a big vote of confidence in Parliament last February, and that he intended to continue to do his duty as Chancellor.

If anyone wanted to desert, Herr Schmidt told the assembled ministers, they should tell him so "openly, honestly and directly," not announce their views via public interviews.

Count Lambsdorff, who is well known as at least as blunt a speaker as Herr Schmidt, strongly defended himself and received support from Herr Hans Dietrich Genscher, his party leader and Foreign Minister.

In particular, Count Lambsdorff said he had publicly defended the Government's recent controversial decisions on the 1983 budget, in marked contrast to some noteworthy members of the Chancellor's own party.

This is far from the first time that Herr Schmidt and Count Lambsdorff—who sit opposite one another at the cabinet table—have engaged in a sharp verbal duel.

But the latest outburst follows many weeks of ever-stronger sniping between the coalition partners. It comes only a few weeks before a crucial election in the state of Hesse where the Free Democratic Party has decided to leave its long-standing alliance with the Social Democratic Party.

Herr Schmidt is said to have felt there was an accord with Herr Genscher that the Hesse election campaign should be conducted so that it would not harm Government business in Bonn.

He evidently feels the Free Democrats are not holding to the pact, and is seeking to use his authority as Chancellor to call the liberals back into line.

This impression was strengthened by the way word of the cabinet set-to emerged—not through a series of leaks but, most unusually, via an official statement by Herr Klaus Boelling, the Government spokesman and one of Herr Schmidt's closest advisers.

Bonn will guarantee up to £256m in loans for AEG

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government has agreed to put up a loan guarantee of up to DM 1.1bn (£256m) for AEG-Telefunken, the financially-stricken electricals concern which is seeking a court settlement with its creditors and a new start.

Count Otto Lambsdorff, the Economics Minister, said that he hoped Bonn's action would help stabilise AEG and he taken as a positive signal at home and abroad.

The Government had not found the decision easy, but had been helped by a report from the auditing company looking into AEG's affairs. This suggested the court settlement proceedings stood a good chance of success—thereby wiping off a large part of the company's huge debt—and that a new AEG could emerge capable of standing on its own feet.

Bonn's action opens the door to more assured credit for AEG, giving it a further breathing space in its battle to streamline and avoid bankruptcy.

Commercial banks last month agreed to put up DM 1.1bn in new credit, but made DM 400m of that dependent on approval of a state guarantee for yet another DM 1.1bn. This condition has now been fulfilled. The Government also has already agreed to provide guarantees of DM 600m for credit directly involving AEG's export business.

Nonetheless, officials stress that serious doubts remain about the future of the company, which is West Germany's second biggest electricals concern, with annual sales of around DM 15bn (£3.5bn).

It is stressed that AEG will have to move quickly and strongly to divest itself of its loss-making sectors, that any delay could spell disaster for the bid to avoid bankruptcy and that all—workforce and top management—must be ready to share the burden.

AEG had close to 100,000 employees in West Germany this year, but may have little more than 60,000 once its restructuring has gone through. However, this does not imply a net loss of 40,000 jobs since parts of the group are likely to be bought and operated by other companies.

There is also a clear sign that Government would have liked more detail about AEG's affairs, and time to study it, before taking its guarantee decision. But speed was vital and a full examination would have taken months.

Bonn is still having tough talks with the Laender (the provincial states) whom it wants to assume part of the guarantee burden for AEG. But, as yesterday's government decision showed, approval of the guarantee was not made dependent on the result of these discussions.

Joergensen unveils economic package

By Hilary Barnes in Copenhagen

A PROGRAMME of incomes policy measures, public spending cuts and revenue increases, designed to reduce Denmark's balance of payments and budget deficits, has been proposed by Mr Anker Joergensen, the Prime Minister.

He said the measures were a balanced and indivisible whole, but details were negotiable. He will spend the next two days discussing them with other party leaders. If he cannot win support for them in Parliament, he is expected to resign.

The Government aims to reduce by DKr 10bn (£666m) next year's projected budget deficit of DKr 74bn (£4.9bn)—about 14 per cent of GDP. Spending cuts for next year total DKr 10bn gross and about DKr 6bn net; its revenue increases to about DKr 4bn.

Under pressure from its parliamentary party, the Government has withdrawn proposals to reduce unemployment and other social welfare benefits, but aims to save substantial sums by tougher supervision.

Talks will be held with employers and unions in an effort to reach an understanding on reducing wage increases substantially. Wage restraint is to be balanced by a freeze on dividends and on management commissions and bonuses.

The main revenue raising measure is a tax on pension fund incomes and life insurance company premium reserve funds, a measure which is opposed by all of the six non-Socialist opposition parties.

Election fears spark wave of selling on Spanish bourses

BY ROBERT GRAHAM IN MADRID

SHARE VALUES on all four Spanish bourses fell yesterday for the second day in a selling wave prompted by the prospect of a general election on October 28. The share values most affected have been the seven main private commercial banks and the privately-owned utility companies.

Both groups are the core of the power of the Spanish financial oligarchy and the selling wave is regarded as a direct reflection of investor concern about the prospect of a Socialist triumph in the election.

The Socialist Party has been careful to mention the word nationalisation only in the limited context of the high-tension grid electricity network. However, there is widespread concern that the Socialists will be pushed into more radical measures, as in France.

The seven banks control directly and indirectly almost 80 per cent of commercial bank deposits and have substantial portfolio investments in all sectors of the economy.

During the past two days, the indexes of the stock exchanges in Barcelona, Bilbao, Madrid and Valencia have fallen an average of more than 3.5 points—a relatively large decline by Spanish standards. In Madrid, where most trading occurs, the index has dropped from almost 89 to 85.7 since the beginning of the week, wiping out some $250m in value.

The biggest decline occurred on Tuesday, but yesterday's fall would have been greater except for a rally in the value of Telefonica, the national telephone monopoly, which is 49 per cent owned by the state.

AS the Spanish bourses are small, it requires only one or two large sellers to move values. But this week, a number of small investors have been selling in the market.

Brokers also pointed out yesterday that institutions wishing to offload large quantities of stock could not always find buyers the same day and sometimes the process took more than a week. In the atmosphere created by the election, this tended to add to uncertainty.

They believed, too, that the activity was probably less the result of a fear of nationalisation than a more general desire to be as liquid as possible, coupled with concern about a tightening of tax loopholes by a Socialist Government on share ownership.

The more sanguine among the banking community were yesterday less concerned about the movement of the stock market than about the way in which Spain risks having no economic direction for the next three months—regardless of the election's outcome.

The inflation rate is running at close on 16 per cent and no measures are likely to be taken between now and November to curb this trend. As yet, there has been no agreement on topping-up wages—laid down in all wage settlements—to compensate for greater than projected inflation in the first six months of the year.

At the same time, the 1983 budget will not be presented as usual at the end of the month and is unlikely to pass through parliament before January at the earliest.

Hungary to curb industrial imports

By Leslie Colitt in Berlin

HUNGARY is to reduce its imports of raw materials and industrial components because of a shortage of hard currency and a lack of sufficient Western credit.

An official statement issued by the Hungarian news agency, MTI, said the restrictions, which it called "temporary," are intended to improve Hungary's foreign trade balance and to maintain its balance of payments.

The Government received a $260m loan from Western banks in July and has asked for a $300m short-term credit from Western central banks.

Hungarian exports to some Western countries have "continued to worsen," according to MTI, because of what it said were protectionist and discriminating measures to reduce imports. Last year, Hungary had a small surplus in its trade balance with OECD countries and has made considerable efforts this year to reduce its imports.

Budapest has informed the General Agreement on Tariffs and Trade in Geneva about the new import restrictions. They run counter to Gatt principles, but the agency's report pointed out that, since joining Gatt, Hungary has more than doubled its imports from other member countries.

Companies have been told by the Government to continue cutting investments and to boost their exports to the West. Recent commentaries in the Hungarian Press have spoken of a worsening economic picture in which the main economic targets are unlikely to be achieved.

Prices rose sharply last month: by some 20 per cent for bread, baked goods and rice; by 25 per cent for citrus fruit, chocolate and spices and by up to 120 per cent for train and bus travel.

Hungary, with its 10-year-old economic reform, has gone further than any other Comecon country to expose its once sheltered economy to international prices and to orientate it to market forces.

It has also gone a long way toward achieving limited convertibility for the Hungarian forint.

West Berlin seeks jobs pledge

BY OUR BERLIN CORRESPONDENT

WEST BERLIN will lose "somewhat more" than 2,300 jobs as a result of the closure here of factories belonging to AEG-Telefunken.

Mr Elmar Pieroth, head of West Berlin's finance department who made the announcement, said that a "firm pledge" is being demanded from the company that its remaining 8,600 jobs will be maintained before the city guarantees a loan of about DM 60m to AEG.

The number of AEG-Telefunken jobs in West Berlin has fallen from 32,000 to 10,900 in the past 20 years. The city's chamber of commerce has warned that if the loss of production jobs is not halted soon, West Berlin's "industrial substance" will be endangered.

Mr Pieroth said the city also wants the company to guarantee that no profitable plants will be moved to West Germany. The other West German states with Christian Democratic governments are reported to have made their participation in Bonn's financial rescue operation for the company dependent on AEG retaining its viable heavy machinery plants in West Berlin.

The city administration has offered to ensure that AEG completes its urban railway project in West Berlin in order to secure jobs. It is looking to Bonn to provide the DM 50m (£11.6m) needed for the project's two-and-a-half year test phase. Alternatively the city will offer to finance the first year of testing with DM 600,000 (£140,000) out of its own funds.

David Buchan visits Katowice, centre of the coal industry vital to Poland's economic recovery

Carrot and stick at work in mines

"LOOK, I've been a Communist Party member for 23 years and I'm not ashamed of it." The coal-blackened section supervisor still looked nervously around the dark shaft 2,600 ft down in the bowels of the Slask mine, before adding: "But at the start of the Solidarity period people came around to my house and threw stones in the windows. Of course I'm glad they've gone."

Many other Silesian miners at the 66 mines in the southern province of Katowice have more bitter memories of a very different kind. It was at the Wujek mine that nine of their number were killed last December in the only violent resistance to martial law. Those memories surfaced again on Tuesday when Katowice workers answered the suspended union's call for nationwide demonstrations. There were, however, no details of the extent of the disturbances.

A mixture of carrot and stick applied by Gen Jaruzelski's government, however, has led to a sharp increase in production by Polish miners. The Slask mine is mechanised, modern, and politically stable enough to be a showcase to foreigners. But its output of 1.3m tonnes in the first half of this year (compared with 2m tonnes in all 1981) squares with a rising national trend. Some 111m tonnes have been produced between January and July this year, up 15m tonnes on the amount mined in the same period last year. The extraction rate is almost back to 1980's level.

Much of the increase is simply due to the stark fact that all Poland's mines have been militarised. This is less important from the aspect of direct control—the colonel who earlier this year was Slask's full-time commissar now divides his time between two other collieries—than from the military rules under which the miners are placed. Miners must now work Saturdays and cannot leave their jobs.

It also "frightened a small group of slackers we had," said one brawny miner down at the Slask coal face. Not only are the miners working longer hours, but there are now more of them. The past year has seen a net inflow of 20,000 people into the mines, attracted by the

> The Silesian coal industry is being closely watched in the West. Hard-currency earnings from coal are one of the few means Poland has to pay its huge debts.

wage increases won by Solidarity last year and since maintained by the military authorities.

A Polish miner now earns 20,000 zlotys (£135) a month, compared with 13,000 (£88) before last September's pay rise. Saturday work, albeit compulsory, earns a miner a bonus, which again dates from the Solidarity era. These bonuses can be spent in special shops, which also give miners a larger meat ration: 15½ lb a month as against 11 lb for workers above ground. This is a significant concession in a meat-loving nation.

These material factors might seem reason enough why both total output and productivity from individual miners have risen. Mr Zdzislaw Farmas, the Slask mine director, says each of his miners now extracts, on average for an eight-hour shift, around 2.7 tonnes, compared with last year's average of 2.4 tonnes. On the national level, the daily production average has risen from 595,000 tonnes to 630,000 tonnes.

At the Slask mine, however, both management and coalface workers put more emphasis on political considerations. "We're working harder because the country needs our effort and our economy rests on coal," say the rank and file miners, who like to point out that they have always had a strong sense of solidarity, with a small "s".

Mr Farmas chooses to stress the fact that Solidarity, the union, was slow to organise the coalfields and since martial law he had had "no outside troublemakers." He admits Solidarity leaflets were passed, "particularly at the start of martial law." But he claims "this has died out, because we have paid little attention to it."

The Jaruzelski Government is clearly taking no chances with the 320,000 Silesian miners. They have an established reputation for being slow to excite but formidable when roused, as last December showed. Katowice Province, with a tenth of the Polish population, churns out 17 per cent of total industrial production.

The Soviet Union has always paid particular attention to Katowice, which gets Soviet raw materials and sends back a variety of finished products. Because of the region's political and economic importance, the First Secretary of the Katowice Communist Party—the post once held by Mr Edward Gierek—is virtually an ex-officio member of the Politburo. The present incumbent of this post, Mr Zbigniew Messner, has risen high in the councils of Warsaw and, significantly, accompanied Gen Jaruzelski to Moscow this spring.

The Silesian coal industry is also being closely watched in the West. Besides being the only relative economic success which General Jaruzelski can claim that martial law has wrought, hard currency earnings from coal are one of the very few means Poland has to repay its huge Western debts. Solidarity strikes last year helped depress Polish coal exports to 15.2m tonnes, way down from the 31m tonnes in 1980. Between January and July this year, exports amounted to 14.2m tonnes, and the Warsaw authorities hope to reach 30m tonnes by the end of the year.

Regaining export markets in the West will take precious time. Many of Poland's former customers switched last year and signed contracts of up to three years with rival exporters—the U.S., South Africa, Australia. But Polish officials claim their industry is winning back some custom in France, Italy, West Germany, the Netherlands, and as far afield as Brazil.

All this depends, however, on continued calm in the mines. So far, the Polish "underground" is not, literally, underground. Two things could change this.

The first would be any perception by the miners that their safety was being deliberately ignored or endangered in the Government's rush to win more coal.

Since the demise of Solidarity, which made mine safety an issue, rumours of a rise in mining accidents have proliferated in Poland's feverish atmosphere. There have been allegations, even surfacing in the Polish Press, that "safety pillars" are being whittled away in the search for quick and easy deposits. But the miners—at least at Slask—do not yet seem seriously concerned. Officials in Warsaw say there has been no change this year in the average of 0.5 deaths per 1m tonne of coal mined.

The other factor would be a serious explosion of unrest in the country. Like everyone else, the Silesian miners are waiting to see what transpires from Tuesday's violence.

Katowice miners . . . the Government is trying hard to keep them happy

Malta's foreign interference Act becomes law

By Godfrey Grima in Valetta

MALTA'S controversial foreign interference Act, introduced by the Government to restrict the activities of foreigners on the island and to prevent Maltese from using foreign TV and radio stations to broadcast to Malta, has been approved by Parliament.

During the three-day televised debate, government ministers, including Mr Dom Mintoff, the Prime Minister, made it clear the legislation was aimed at the opposition Nationalist Party.

The Nationalists have been using a television station in Sicily to broadcast political programmes to Malta, because of what they claim is biased reporting by stations on the island.

They have accused the Government with bringing down an iron curtain around Malta. Nationalist Party MPs, who have boycotted Parliament since it reopened in January, have said they will break the new law immediately it comes into force.

At last December's general election, the Nationalist Party polled 4,000 votes more but gained three parliamentary seats less than Mr Mintoff's ruling Labour Party. The Nationalists claim this was the result of the gerrymandering of electoral boundaries.

Gomulka: Dour leader who failed to live up to his country's hopes

ALL POLAND looked on Mr Wladystaw Gomulka as a hero when he returned to power in October 1956. But popular acclaim virtually vanished during the 14 years of his rule. By the time he was deposed in the wake of strikes and riots in December 1970, he was one of Eastern Europe's most rigid and disliked leaders.

Even after the fall of his successor, Mr Edward Gierek, ten years later there was little nostalgia for the "Gomulka era."

Born on February 5, 1905, in Krosno, southern Poland, Gomulka's formal schooling ended when he was 14, though he earned a locksmith's diploma by attending night school.

He was active in the Polish underground during World War II, and emerged from the fighting as leader of the Polish Communist Party. But his nationalism soon got him into trouble, and in September 1948 his Moscow-trained party comrades charged him with "rightist deviationism." He was arrested in 1951, and spent four years under house arrest.

He was gone but not forgotten. In June 1956, workers in Poznan staged explosive and bloody demonstrations "for bread and freedom." Mr Gomulka, already released from detention after the death earlier that year of the Stalinist leader Mr Boleslaw Bierut, became the focus of the country's hopes.

With the return of such a black sheep to the public eye, the Soviets were alarmed by the prospect of rapid change in Poland. On the very day that Gomulka was restored to several senior posts, a threatening

Soviet delegation led by Mr Khrushchev arrived in Warsaw.

After a stormy session, the Soviet leader agreed to call off troop manoeuvres round the capital and reluctantly came to terms with the Polish changes.

But after his dramatic rise to power, Gomulka was hard put to fulfil the expectations that many people had of him. As party leader, he made a pact with the church, disbanded the unsuccessful collective farms, reduced the power of the secret police, and for a time allowed an unprecedented relaxation of censorship. But hopes that the "Polish October" signalled a transformation of the system were disappointed.

Slowly the excitement of 1956 waned. Censorship was tightened again. Mr Gomulka's flirtation with "liberal Communists" came to an end. In the 1960s, the economy stagnated after several vain attempts at reform.

Brutal repression of student unrest, anti-Semitic purges and Polish participation in the Soviet-led invasion of Czechoslovakia made 1968 an ugly year under Mr Gomulka's rule. In retrospect, the student demonstrations of that year could be seen as a dress rehearsal for the workers' strikes on the Baltic coast that unseated him just 2½ years later, in December 1970.

The seesaw of East European politics—as one man goes down, another is resurrected out of obscurity—meant that after his successor, Mr Edward Gierek, fell from power in the wake of the strikes of August 1980, occasional references to the disgraced Mr Gomulka began to reappear. The Polish media even quoted him on the faults in the Gierek regime which led to the formation of the independent trade union Solidarity.

But he never really came out of the cold again, even though the military authorities after the declaration of martial law in Poland in December 1981 did their best to rope him in to give General Wojciech Jaruzelski's military government his blessing.

Mr Gomulka, a dour man with few personal friends, had been seriously ill for some time before his death.

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China maintains commitment to West, Deng says

BY TONY WALKER IN PEKING

CHINA'S 12th Communist Party Congress opened yesterday with Deng Xiaoping, the party vice-chairman, pledging Chinese commitment to continued contacts with the West.

"We will unswervingly follow a policy of opening to the outside world and actively increase exchanges with foreign countries on the basis of equality and mutual benefit," he told more than 1,600 delegates.

He warned, however, that China would firmly resist what he described as "corrosion by decadent ideas from abroad." The congress, the first since 1977, is expected to endorse economic policies sponsored by Deng as well as approving new leadership arrangements.

Meanwhile, Hu Yaobang, the party chairman, strongly criticised his predecessor, Hua Guofeng, during a lengthy report to yesterday's sessioo of congress.

Hu, a protege of Deng, said the political report—given by Hua—to the 1977 11th party congress "still approved of the erroneous theories, policies and slogans of the cultural revolution, thus exerting a negative influence by seriously obstructing the effort of the party to set things right."

Hua lost the chairmanship late in 1980 and was formally replaced in the middle of 1981. He was demoted to seventh and last position on the staoding committee of the politburo and appears to have played only a limited role in party affairs since.

Western observers in Peking are describing the congress as one of the most important since the founding of the People's Republic in 1949. Deng himself described the 12th congress as the most important since the seventh in 1945.

Deng characterised the 20 years between 1956 and the downfall of the Gang of Four in 1976 as part of China's "tortuous development," reference to the years of chaos and internal party struggle which reached their peak during the cultural revolution.

The veteran official said the decade of the 1980s was an important one for the party aod the state. He said the three major tasks facing the Chinese people were to "intensify Socialist modernisation, to strive for reunification and particularly for the return of Taiwan to the motherland and to combat begemony."

Deng called for a streamlining of the administration of the Party and a reduction in the average age of officials. He said the party should strike at corruption in its ranks and improve the party's style.

In reference to contacts with the west, Deng said China's affairs should be run "in our own way and by our own efforts." He said that while China valued co-operation with other countries, it valued even more its hard-won independence and sovereign rights. No foreign country can expect China to be its vassal, nor can it expect China to swallow any bitter fruit detrimental to China's interests," Deng said in an apparent reference to problems with the U.S. over U.S. arms sales to Taiwan.

The 12th congress will approve a number of important administrative changes, including the abolition of the post of chairman and vice-chairmen, of which there are six. Deng will move to a newly-created panel of Party elders.

The congress will elect a new central committee and approve the draft of a new constitution that will embody the administrative changes mentioned above. The congress yesterday heard a report from Hu Yaobang, the party's general secretary, on developments within China.

U.S. marines will be withdrawn from Beirut 'within days'

BY STEWART DALBY AND NORA BOUSTANY IN BEIRUT

MR CASPAR WEINBERGER, U.S. Secretary for Defence said in Beirut yesterday that U.S. marines will be withdrawn from the city within "a few days."

He said that the evacuation had been extraordinarily successful and that he did not envisage them staying beyond the September 24 deadline set under the Habib plan. He hoped they could leave much sooner.

Mr Weinberger said that he expected U.S. military aid to the Lebanon to be increased.

He saw no reason why French and Italian troops which also make up the multi-national peacekeeping force should stay much longer. The decision to pull tthem out, he said, would be up to the individual countries.

Mr Weinberger inspected a contingent of 800 U.S. marines at the Beirut port only hours after the last 600 PLO fighters were evacuated to Syria. This brought the total numbers evacuated to just over 13,000, including 2,500 Syrian troops.

U.S. marines will not be involved in policing West Beirut or helping the Lebanese army to disarm Moslem militia.

The U.S. Defence Secretary said the evacuation, which was completed three days ahead of schedule, was the first phase of a U.S. policy. Phase two, he said, was the withdrawal of all foreign forces, by which he meant Syrian and Israeli troops. Phase three would be an overall settlement of the Palestinian problem.

"Syrians have told many people they wish to leave. The Israelis have told us repeatedly that they want to leave.

"But they will not leave until the Syrians leave. They want to leave simultaneously. I am sure this can be worked out," he said.

Mr Weinberger said he had discussed in a "general way" the question of military assistance to the Lebanese.

Granite-like Afrikaner image crumbles

BY BERNARD SIMON IN JOHANNESBURG

P. W. Botha . . . race policy reforms

TWO OF South Africa's most influential Afrikaners have been forced out of their jobs in the past two weeks.

Dr Wim de Villiers, executive chairman of General Mining Union Corporation, the country's second largest mining house, was the victim of a bitter personality clash and a feud between two of the pillars of Afrikaner business, the Rembrandt tobacco and liquor empire, and the insurance and banking group, Sanlam.

This week, Dr Willem de Klerk, editor of the Transvaler, the official organ of the ruling National Party in the Transvaal, was dismissed by a proprietor who apparently wants to steer the newspaper on a more blatantly Right-wing course.

Dr de Klerk is more than a newspaper editor. He has taken the lead in rationalising and explaining Prime Minister P. W. Botha's hesitant moves towards race policy reforms.

If Dr de Villiers and Dr de Klerk had left their jobs in similar circumstances three or four years ago, it is likely that both would have gone quietly, giving the public little inkling of the motives for their departures and ensuring that the granite-like image of Afrikaner unity remained intact.

But things have changed in Africa's largest white tribe. Dr de Villiers spoke bitterly to the Press of "sustained personal hostility" towards him. Dr de Klerk said he had no doubt that "political undercurrents" had contributed to his dismissal.

The de Villiers and de Klerk cases are not unique. South Africa's 3m Afrikaners are disagreeing about more issues—and more important issues—than ever before. One sign of the depth of the disagreement is that more and more of the dirty washing is being hung out in public.

Even trivial disputes are being blown up. A Johannesburg Afrikaans-language newspaper led its front-page last Tuesday with news that the city's nationalist mayor had apologised on behalf of a senior (also nationalist) city councillor involved in an altercation with a neighbouring town's mayoral chauffeur.

At the heart of much of the in-fighting is the departure from the National Party earlier this year of 17 ultra-conservative MPs, led by former cabinet minister Dr Andries Treurnicht.

The rebels object to Mr Botha's more moderate race policies, arguing that he has betrayed the true principles of Afrikanerdom and is gradually leading "Die Volk" towards racial integration and, ultimately, Black domination.

They have formed the Conservative Party, which cannot be written off as a one-day wonder or (like the extreme Herstigte Nasionale Party) as a lunatic fringe. The Conservative Party has already demonstrated substantial grassroots support among Afrikaners who are confused by Mr P. W. Botha's policies and offended by his autocratic style.

The National Party split and the rise of the conservatives have sent ripples throughout Afrikaner society.

Despite the rapid urbanisation of many Afrikaners since the great depression and their absorption into a modern industrial economy, Afrikaner society remains far more tightly knit than that of their English-speaking countrymen.

There is a fairly high probability that Afrikaners of the same social class belong to the same sporting clubs and cultural societies. They often live in the same neighbourhoods and belong to the same church denominations. In other words, there is a high level of overlapping participation in various activities. The result is that a flare-up in any one of these areas easily spills over.

Professor Willem Kleynhans, a political scientist at the university of South Africa, explains that Afrikaners used to serve the National Party and their other institutions "unquestioningly."

Now that support for the National Party has been weakened, "all the other areas are affected." Prof Kleynhans says "Afrikanerdom is breaking up in all its fields of endeavour."

On top of the split in the National Party have come other pressures on Afrikaner hegemony. The two largest Afrikaans churches are currently agonising over their response to last week's decision by the World Alliance of Dutch Reformed Churches to suspend them from membership and to declare apartheid a heresy.

Iran cuts oil price to thwart Iraqi blockade

BY RICHARD JOHNS

A CUT in the price of Iran crude to $28 per barrel for its main light variety of crude from an "official" selling price of $31.20 has helped break the Iraqi blockade of its main oil export terminal.

Notwithstanding Iraq's claim to have bombed Kharg Island on Monday—it would have been the third attack in 13 days—and to have inflicted damage, three VLCCs are reliably reported to have loaded cargoes there in the last two days. The volume of oil has probably been in excess of 5m barrels.

Great secrecy surround the operations. However, one of the vessels concerned is understood to be the 319,000 dwt Resolute owned by Livarnos and on charter to Marinex, the German trading group.

The further discount being offered by Iran, in a bid to encourage customers and shippers to defy Iraq's threat to attack any vessel approaching the terminal, is believed to be in response to additional premiums on hull values.

Last week the rate had risen to 3 per cent but charges of up to 5½ per cent were reported yesterday by tanker brokers. The rate for cargoes on account of war risk remained at 3 per cent.

An extra incentive to run the Kharg Island blockade has been given by the shortage of Iranian Light and Iranian Heavy on the Rotterdam spot market. The median price for Iranian Light reported to the Financial Times yesterday rose $31 compared with $30 on Tuesday.

Mubarak pledged to boost Egyptian economy

BY OUR FOREIGN STAFF

PRESIDENT Hosni Mubarak swore in seven new Cabinet Ministers yesterday and promised to try to boost the Egyptian economy.

The ministers who were replaced included two responsible for the economy. They were replaced in the country's second cabinet reshuffle since last October.

President Muharak's creation of a separate portfolio for investment indicated that he was keen to continue the economic experiment begun by his predecessor, President Anwar Sadat.

The portfolio had been held by Dr Abdul Fattah Ibrahim, Deputy Prime Minister for the Economy, but has been assumed by Dr Waguih Shindy. At 46 he is the youngest member of the cabinet and is highly regarded as an experienced banker. He is chairman and a founder member of the Arab Investment Bank.

His job will be to attract the foreign investment on which Egypt pins its hopes for boosting industrial production, the key in Mr Mubarak's eyes to solving the problems of shortages and excessive imports.

Since the death of President Sadat 11 months ago, investment has been in the doldrums.

Australia heads for split over tax legislation

BY MICHAEL THOMPSON-NOEL IN SYDNEY

PLANS by the Australian Government to introduce retrospective tax legislation seem bound to provoke a split in its own ranks, despite the scale of the tax avoidance scandal revealed in last week's publication of a Royal Commission report.

The first sign of a possible back-bench revolt came yesterday when Mr Max Burr, a Liberal MP for Tasmania, told Mr Malcolm Fraser, the Prime Minister, that he would cross the floor of the House and vote with the opposition if the Government introduced re-retrospective legislation.

In a letter to the Prime Minister, Mr Burr, a prominent back-bencher, said that such legislation would cause "irreparable damage to the reputation, respect and principles of the Liberal Party."

He is the first Liberal Party member to declare his opposition to retrospective legislation publicly.

The Royal Commission report of Mr Frank Costigan, QC, detailed the spread of tax evasion and avoidance schemes in Australia following a saga of incompetence in the Perth Crown Solicitor's Office.

Three senior civil servants, including one who ran a call-girl service in office time, have been charged with failing in their duties.

The scandal has also produced calls from the Australian Labor Party opposition for the resignation of Mr John Howard, the federal treasurer, and Senator Peter Durack, the attorney general.

In his letter, Mr Burr said that the Government appeared to be relying on advice that current Australian tax laws were deficient. But he said no test cases had been attempted.

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AMERICAN NEWS

Mexicans are struggling to survive in a crippled economy. **William Chislett** reports.

Down and out in debt-ridden Mexico

FOR THE past three years, while the Mexican economy boomed on the back of the country's oil wealth and massive borrowings abroad, Felipe Sanchez enjoyed full employment chiefly as a labourer on building sites.

He earned the legal minimum wage, which is currently 3,400 pesos (£48) a month in Mexico City, and this was enough to keep body and soul together. It was significantly more than members of his family received tilling the land in his village.

The prices of basic foodstuffs like tortillas (a maize based pancake), bread and soft drinks, which Mexicans drink to greater quantities than any other nation in the world, remained more or less stable. He was able to save on accommodation by living in the building site in a hut and so send some money home.

But Mexico's debt crisis has abruptly put an end to his and millions of other poor Mexicans' chances of improving their miserable lot.

The construction industry, generally the first sector to be affected in a recession, is grinding to a halt. Felipe, aged 20, has lost his job and has gone back despondent to his village to join the 40 per cent of the workforce which is without full-time employment and the safety net of unemployment insurance.

Half finished office and apartment blocks in Mexico City, which has a population of 15m, and fading "for sale" signs on new buildings testify to the new straitened circumstances. The construction industry could shed 500,000 jobs this year and return to its employment level of 1979.

Inflation is running at an annual pace of about 90 per cent, three times the 1981 rate, because of a falling currency and the reduction of Government subsidies on basic items in an attempt to replenish the state's depleted coffers. Bread and tortilla prices have doubled.

The peso has been devalued by 70 per cent against the U.S. dollar this year. Capital flight, following currency speculation on a gigantic scale, and the crippling burden of servicing the total public and private sector external debt of $80bn in the face of falling oil revenues and government spending way beyond its means, have brought Mexico to the verge of bankruptcy.

Mexico's disposable (primary) international reserves are said to be less than $1bn—insufficient to cover one month's imports. Felipe is bewildered by such statistics. All he knows is that he is back where he started—unemployed. He says he may now join the flood of poor Mexicans who have been illegally pouring across the 2,000 mile long frontier with the U.S. in the last few weeks in search of work. He has many friends who are "undocumented workers" there. Last week U.S. border patrol agents at El Paso, Texas, caught a record 1,205 Mexicans crossing on one night alone.

Unemployment and the prospect of earning dollars, which are trading upwards of 100 pesos compared to 46 pesos a month ago, and 25 at the beginning of the year, are driving poor Mexicans into the arms of Uncle Sam in ever increasing numbers.

At the other end of Mexico's highly uneven social scale, the rich political and business classes have withdrawn their safe boxes from banks and are transferring jewellery and other precious items out of the country or hoarding them at home. The freezing of all U.S. dollar accounts in Mexico, totalling some $12bn, after years of no exchange controls at all, has wiped out middle class faith in the Government at one stroke. Dollar holders wishing to use their accounts have to convert their dollars into pesos at the fixed rate of 69.50 pesos to the dollar compared to the free market rate of over 100.

Wild rumours are sweeping the country that safe boxes will be impounded by the Government, that Mexican accounts in the U.S. will be frozen by Washington and more dramatically that a military coup is imminent. The rumours, which at times are so detailed that they appear to be deliberately engineered to create panic, underscore the mood of nervousness.

Even though much of the speculation is far fetched, including one report that the U.S. border will be closed to Mexico, people do not readily dismiss it.

This is because the peso devaluation in February and the second devaluation in August, as well as the dollar freeze, all began as rumours.

Last week there was a run on pesos in banks in Tijuana, the northern border town, because of rumours of a freeze on peso deposits in banks. The Finance Ministry, anxious to stop any such move from spreading, ordered newspapers to play down the story or ignore it, which they did.

The state run television Channel 13 has already run a programme detailing the unemployment, inflation and debt problems of other Third World countries in a clear attempt to detract attention away from Mexico's own problems.

Unease grows over oil-backed loans

MEXICO's international bank creditors are growing increasingly uneasy about the country's use of oil as security for some of its foreign loans, write Peter Montagnon and William Chislett.

They fear the use of oil, which was pledged as security for the recent $1.85bn emergency credit arranged for Mexico by central banks of leading industrial countries, could give some creditors an advantage over those who cannot rely on this form of security.

Mexico has declined to disclose the way in which oil was used to back up the central bank credit, but while commercial bankers are seeking urgent clarification of this point a further technical problem has surfaced with other oil-backed borrowings.

This involves the $4bn, two year bankers acceptance facility arranged last year for Pemex, the state oil company, by Bank of America. Bankers acceptances are short-term money market borrowings linked to physical trade transactions.

What bankers describe as "an oversight" by Pemex has led some of these shipments to be used to back up other credits as well, in contravention of the strict legal conditions of the facility.

Bank of America has asked banks participating in the facility to waive the condition that oil shipments listed in the documentation should not be pledged elsewhere, and a majority of replies were yesterday said to be favourable.

The shipments had also been used to back up credits, now totalling some $2.8bn, arranged as forward financing of Mexican oil exports, the latest of which is a $250m credit to finance shipments to Spain.

Pemex has also arranged a $365m acceptance facility in London, which is unaffected by the double counting problem, as the loan conditions do not tie the acceptances to specific oil shipments.

President's men 'lack vision but not wealth'

By Reginald Dale, U.S. Editor, in Washington

THE Reagan Administration is "a government of extraordinarily broad wealth, narrow vision and little compassion." That not wholly original thought is the verdict of Mr Ralph Nader, the U.S.'s best-known consumer activist, who this week launches a book profiling President Reagan's top 100 officials.

Describing the dominant theme of the Administration as "mainstream corporate," Mr Nader says that most of the top officials were interchangeable.

"What we found unique, even in comparison with prior Republican administrations, such as the Nixon and Ford administrations, is the sameness of these people," he says.

Of the 100 officials profiled in the book, written by two of Mr Nader's aides, 98 are white, 95 are men and more than 30 are millionaires. Forty-three, including all the top White House staff, declined to be interviewed for the book, so the authors interviewed their friends and acquaintances.

Like an earlier Nader profile of members of Congress, which was criticised for inaccuracies, the latest book is likely to be attacked as one-sided. At least one of the anecdotes it contains has already been denied.

Mr Nader describes the administration as government "of General Motors, by Dupont and for Exxon," run by people "who view the federal government as an instrument for the powerful and the wealthy, unaccountable to the public."

...The authors say that Mr Caspar Weinberger, the Defence Secretary, once used drawings of three different-sized mushroom clouds to make a point about the defence budget to Mr Reagan, so as not to "drown" him in details.

Mr Donald Regan, the Treasury Secretary, is the brightest and shrewdest of those profiled, and Mr John Lehman, the Secretary of the Navy, the most ambitious. Of Mr Lehman, he says: "He's under 40. He wants to be President, and he's just drooling with ambition."

U.S. Navy threatens to cancel $39.7bn F-18 jet contract

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. navy has threatened to cancel one of the largest defence contracts in history, worth an estimated $39.7bn (£23.2bn), unless manufacturers of the F-18 fighter can lower their prices by about 10 per cent.

Mr John Lehman, U.S Navy Secretary, said in an interview published yesterday in the Washington Post that the navy would not buy the planned fleet of 1,366 F-18s unless the 1981 price of $24.1m per aircraft is reduced to $22.5m by 1984.

The F-18, which is built by McDonnell Douglas and Northrop Corporation, was originally intended as a relatively low cost substitute for two more specialised aircraft, the F-14 fighter and A-6 attack bomber, both built by Grumman Aerospace.

But in the seven years since the decision, made in May 1975, to make the F-18 the staple aircraft for the Navy's large nuclear-powered carrier fleet, the cost of F-18s have escalated to such an extent that it is now one of the world's most expensive aircraft. The more specialised F-14 cost $26.1m in 1981, Mr Lehman said.

But by combining an F-14 fighter fleet with a fleet of A-6 attack bombers, which are priced at only $16.4m each and are considered to be more efficient for the primary function of protecting marine landing forces, the total cost of the Navy's aircraft could be reduced substantially.

Thus if the F-18s' builders cannot reduce their price below $22.5m per aircraft by fiscal 1984, the contract would stop at the 240 planes already on order, Mr Lehman said.

U.S. banks gain foothold in discount broking

BY RICHARD LAMBERT IN NEW YORK

AS COMPETITION intensifies between U.S. financial institutions, a number of commercial banks are forcing their way into the discount brokerage business.

Security Pacific of California, the nation's eleventh largest bank, has become the first to receive formal approval for such a move from the Comptroller of the Currency.

The Comptroller has ruled that, whereas the Glass-Steagall Act of 1933 prohibits the purchase and sale of shares by banks acting as principal, it allows them to act as agents for their customers in such deals.

He has also decided that Security Pacific can offer discount brokerage services through offices that are not bank branches and are not situated within the State of California without breaching the McFadden Act.

The stated reason is that credit balances arising from security deals are not deemed to be deposits within the meaning of the Act, and the extension of margin credit does not count as lending money under the Act.

The bank, which earlier this year announced plans to buy a 29.9 per cent stake in London broker Hoare Govett, is now setting up an operating subsidiary to handle its discount broking business.

However, Bankamerica Corporation, the largest U.S. bank, is still being delayed in its pioneering bid, announced last winter, for Charles Schwab and Co., one of the biggest discount broking firms.

The bid was made through the bank's holding company, which made it the responsibility of the Federal Reserve Board rather than the Comptroller of the Currency.

The Fed was obliged to seek public comment on the affair which has now run into strenuous objections from the Securities Industry Association, the main trade group in the brokerage business.

The association says the bid is against the public interest and violates the Glass-Steagall Act.

Hearings are due to start in Washington next week, and could last for eight days.

UK bank pleas for end to Argentine sanctions ignored

BY DAVID TONGE

THE British Government has decided to ignore calls by London bankers for an early lifting of economic sanctions against Argentina.

The Bank of England and Treasury have been relaying to the Government bankers' fears about Argentina's $40bn (£23.5bn) external debt and their anxieties over Mexico's $80bn debt. But a Government official has said: "The City's view reflects one side of the problem. The government has to deal with the national view."

Britain has long abandoned any attempt to link the lifting of its freeze on Argentine assets with its hopes for a clear statement from Buenos Aires that hostilities have ended.

The view in London is that in practice hostilities are over. But recent Argentine moves have apparently reinforced Mrs Thatcher's determination to insist that Britain will only lift its sanctions if Argentina also does so.

The recent probing of Britain's 150-mile "protective zone" around the Falklands by Argentine fishing vessels, and the junta's moves to "stir ill-will" by taking the issue to the United Nations General Assembly, have caused the Government to reject suggestions that this is the time to show magnanimity, according to officials involved.

They also reject any suggestions of a split between Mrs Margaret Thatcher, the Prime Minister, and the Foreign Office over the issue.

The U.S. has been among governments warning Britain that it may face trouble in the UN. After waiting nearly two months for passions to cool, Washington has begun stressing to Britain that the Falklands is an anomaly which should not be allowed to undermine long-term Western interests in Latin America.

On sanctions, it shows considerable sympathy with Britain, agreeing with many U.S. banks which have been telling the Argentines that the onus of improving the situation lies with them and not the British.

Many U.S. banks have told the Argentines that they will only consider rolling over debt when the sanctions are ended.

Bankers handling Argentine debt yesterday said they believed that the recent resignation of the Argentine Minister of Finance and the head of the country's central bank had made the situation more difficult.

Diplomats involved also warned that these resignations seemed to have strengthened the hands of a group of officers who argue that the sanctions are now hurting Britain more than Argentina and that threats of trouble to the international banking system will cause Britain to give way first.

WORLD TRADE NEWS

BP's W. German subsidiary seals Saudi oil deal

BY KEVIN DONE IN FRANKFURT

DEUTSCHE BP, the West German subsidiary of British Petroleum, has concluded the UK oil group's first long-term crude oil supply contract with Saudi Arabia.

The initial contract for 25,000 barrels a day is not large, but it is a significant step for BP as part of its attempt to develop a long-term relationship with Saudi Arabia, the world's largest oil exporter.

Traditionally, Saudi Arabian oil exports have been dominated by the four partners in the operations of the Arabian American Oil Company—Exxon, Socal, Mobil and Texaco.

In a separate deal with Petromin, the Saudi state oil company, Deutsche BP has also contracted to take rising deliveries of LPG—liquid petroleum gas (butane and propane)—needed by the company to replace falling supplies from its domestic refineries.

Deutsche BP is also discussing further co-operative ventures with the Saudi authorities including the supply of plastic film for the building of greenhouses.

Dr Walter Kirsten, Deutsche BP board member, said the company was conducting feasibility studies for the supply of PVC plastic products from three of the group's plastics processing subsidiaries in West Germany—AOE Plastic in Wasserburg, Etimex Kunststoffwerke in Stuttgart and Polydress Plastic in Michelstadt.

Deutsche BP has been allowed considerable independence by the BP Group headquarters in London to develop its own sources of crude oil supply and it has also drawn oil from countries such as Mexico and Venezuela.

The company is having to reorganise drastically its oil purchasing and refining operations, however, in order to try to staunch heavy losses run up in recent years. By next year its West German refinery capacity will have been cut to only 8m tonnes compared with 24m tonnes in 1979.

Its sales of oil products are likely to total only 17-18m tonnes this year, compared with 28m tonnes in 1979. Last year some 29 per cent of its oil requirements were met through the purchase of refined oil products with 71 per cent coming in crude oil.

European gas companies sign Statoil contracts

BY OUR FRANKFURT STAFF

SEVEN EUROPEAN gas companies yesterday signed contracts with Statoil, the Norwegian state oil concern, for the delivery of additional supplies of Norwegian natural gas from the mid-1980s.

The initial contracts cover gas deliveries from the Statfjord Field, the largest oil and gas field discovered in the North Sea, but further agreements are expected to be signed in the near future for gas supplies from the Heimdal and Gullfaks (34/10) fields.

Deliveries are expected to begin in 1986, rising to a volume of 3.5bn cubic metres a year. Some 1.5bn cubic metres a year will flow to West Germany with the remainder shared between the Netherlands, Belgium and France.

The West German gas-buying consortium consists of Ruhrgas, Deutsche BP, BEB (a joint venture of Esso and Shell) and Thyssengas. The Netherlands is represented by Gasunie, France by Gaz de France and Belgium by Distrigaz.

The gas will be brought to Emden in northern Germany through a pipeline system being constructed to link in to the existing pipeline running from the Ekofisk Field at the southern tip of the Norwegian sector of the North Sea to the West German coast.

Norway is spending around DM 5bn (£1.86bn) to build 850 kms of underwater pipeline from the Statfjord and Heimdal Fields and an onshore terminal at Karmy, which will be used to separate out the heavier natural gas liquids for use by Norwegian industry.

The additional Norwegian supplies will help to supplement dwindling deliveries from the Ekofisk area fields.

Pressure on U.S. over pipeline persists

By Paul Cheeseright, World Trade Editor

The Reagan Administration yesterday came under further pressure to ease its sanctions policy on the provision of equipment for the Siberia-West Europe gas pipeline.

Dresser Industries of Dallas said it was pressing for a hearing at the U.S. Commerce Department on the ban imposed last week forbidding the sale of American goods and services to Dresser France.

With Creusot-Loire of France, Dresser France ran into the ban after it shipped compressors to the pipeline in defiance of U.S. sanctions and under threat of "requisition" by the French Government if it did not meet its Soviet contracts.

The regulations of the Export Administration Act, under which the U.S. Government acted to impose the ban, provide for companies which are affected by sanctions of the type exercised against Dresser to appeal to the Assistant Secretary for Trade Administration at the Department of Commerce.

But Dresser is also challenging the legality of the Reagan Administration's ban in the courts. Its complaint in the courts came on Monday, even though last week it failed to win a temporary injunction to stop the Administration from acting against it.

Washington lawyers note that the Administration has 30 days in which to reply to the complaint.

Dresser is thought to be the first company to challenge the enforcement of the Export Administration Act in the courts. The second challenger may be John Brown Engineering of Clydebank if the Reagan Administration seeks reprisals for the shipping of turbines, now being loaded in Glasgow, to the Soviet Union.

The lawyers consider that if John Brown does make a legal challenge, it would be best served by mounting its complaint on the method of enforcement chosen by the Administration, rather than the Act itself.

The action taken so far by the Reagan Administration has been unprecedented, the lawyers say.

Ann Charters in Seoul traces the history of a subway deal concluded this week

GEC's tenacity helps secure Korean order

THIRTY MONTHS of negotiations over contracts for Seoul's subway system were brought to a successful conclusion this week when Britain's General Electric Company signed a deal worth £195m for subway cars, track and maintenance equipment, and for project management of subway lines numbers three and four.

Also signed this week were contracts involving Westinghouse Electric Corporation and Wabco Company, both of the U.S., to supply electric communications and signal equipment. These deals are worth £51m.

But the GEC deal stands as a tribute to British tenacity over the subway, which is expected to be completed by 1985.

One £114m contract covers work in South Korea in which Daewoo Heavy Industries will build the mechanical parts for 402 subway cars under subcontract from GEC. This is the first joint effort between the two companies. GEC's willingness to localise over 60 per cent of the manufacture of the cars, including components for motors and motor alternating sets, added a strong competitive advantage, according to company officials.

The other contract, worth £81m, includes supply of offshore British components such as electrical propulsion equipment for the cars, which are designed and built by GEC Traction. Two-thirds of the rolling stock will be power cars fitted with thyristor control and equipped for regenerative braking, basically permitting smooth acceleration and energy conservation.

Equipment for new subway workshops and track maintenance equipment will be supplied by Vickers engineering's design and projects division. British Steel and Pandrol International are to supply rail fittings and fastenings for 57 km of track.

The financing is being syndicated in loans by Lazard Brothers, with the British portion financed through Britain's Export Credits Guarantee Department. The GEC companies responsible for executing the contracts are GEC Transportation Projects Limited and GEC Transportation Projects International.

Competition for the subway included Japanese companies that equipped Seoul's first two subway lines, in addition to consortia from France and the U.S. In the initial stages of negotiations in January 1980, 20 companies discussed financing packages for the project, which is being overseen by a consortium of 23 Korean construction companies. Only four consortia participated in the first formal tender.

Until May 1981, all four groups were competing for the project, which had been divided into three sectors: rolling stock; signalling, communications and ground control systems; and rails.

Three months later further winnowing took place. The French stopped competing on the rolling stock, the Japanese fell out of the running for the ground systems, and the U.S. group was no longer considered in the bidding for rails. Only the British remained as bidders in all three sectors, giving the Korean companies an opportunity for a package deal from one source.

The companies competing in each sector were asked to re-submit bids with the understanding that letters of intent would be forthcoming by September 1981.

Meanwhile, the Government, the Seoul Municipality and the Korean consortium which, until then, had all been major participants in the negotiations, decided to enhance their ability to raise capital in international markets and clear up lines of authority. The Seoul Metropolitan Subway Corporation emerged, and Korea's favourite pool of management talent, the army, was tapped for a president.

Parties to the negotiations agree that the situation more closely approximated international bidding when retired Maj-Gen Kim Jae-Mung took over. But the consortia from four countries then had to have their bids evaluated by a new client, with two more negotiations to follow as one more company was eliminated in each sector.

Finally, last December, under pressure of export financing deadlines, the subway corporation awarded letters of intent to GEC for the subway cars and to Westinghouse and Wabco of the U.S. in the ground control sector.

Although SMSC declined to disclose terms, the French pricing was widely believed to have been lower than that of the U.S. group, but Alsthom Atlantique, one of the companies in the French group, had just been awarded the turbine generator contract for nuclear power plants. Two of their competitors were GEC and Westinghouse.

The South Korean divide-and-conquer approach to bidding left the subway project with no consulting engineering concern or single company overseeing the interfacing to deliver an operational subway system. GEC negotiated that role for the rail sector, but the subway corporation remains responsible for overseeing the civil work with the unchanged challenge of a December, 1984, subway in operation.

Australia to offer plan on protectionism

By Emilia Tagaza

AUSTRALIA plans to propose a five-year programme in which member nations of the General Agreement on Tariffs and Trade (Gatt) would reduce trade protectionism. The programme is to be presented to the November ministerial conference of Gatt in Geneva.

The programme was outlined yesterday by Mr Doug Anthony, Australia's Trade and Resources Minister, who was in London to participate in a trade policy meeting.

He said Australia's proposal was to establish a programme under which protectionism by Gatt members would be reduced through a percentage reduction in both tariff and non-tariff barriers.

Australia also would recommend creation of an international council to ensure that countries subscribe to the programme.

He conceded that Australia's proposals may be a bit optimistic, but said concrete moves were necessary to curb protectionism.

Indian steel companies protest

BY K. K. SHARMA IN NEW DELHI

INDIAN engineering companies have protested sharply to the Steel Ministry against what they say is the decision to hand out orders to the Soviet Union for about 80 per cent of equipment for a 3.4m-tonne steel plant at Vishakapatnam in Andhra state.

If their fears prove correct, orders worth nearly Rs 40bn (£2.4bn) for the Rs 50bn project could go to the Soviet Union to commission the plant by 1986, even though Moscow is providing just Rs 5bn in aid for it.

The Indian companies have complained that they have carried out similar projects in other countries on a turnkey basis, and say there is no basis for switching orders to Soviet suppliers for the Vishakapatnam plant. They say they are being reduced to the status of sub-contractors.

Indian engineering companies are going through a difficult period and face large unutilised capacity which they had hoped would be used to carry out the large orders expected from Vishakapatnam.

Their fear, based on negotiations with Rashtriya Ispat Nigam, the government company implementing the Vishakapatnam project, is that these orders will now keep Soviet units busy instead of giving a fillip to Indian industry.

When the Russians first offered aid for the plant a couple of years ago, the understanding was that Indian firms would get about 80 per cent of the orders for equipment. This is the basis on which the Bokaro steel plant, also being constructed with Soviet help, is being built.

Van Agt rules out Pretoria ban

BY WALTER ELLIS IN AMSTERDAM

MR DRIES VAN AGT, the outgoing Dutch Prime Minister, has effectively ruled out any possibility of a unilateral oil embargo against South Africa. Speaking to industry leaders he said any embargo not enforced either by the UN or some other multinational group would be an "illusion."

The premier, who is seeking a return to power as head of a Centre-Right coalition after next week's general election, said that an alternative solution would be a deal between the oil producer nations and the oil transporter countries. He appeared, however, to have little faith in this.

Mr Van Agt sought to assure Dutch businessmen that neither his present cabinet nor any future cabinet of which he was head would lack enthusiasm on this issue.

Nevertheless, he made it plain that, despite an overwhelming vote in Parliament last year calling for a ban on Dutch exports of oil to South Africa, no immediate action could be expected from the Netherlands.

U.S.-backed yen loan for N-plant

By Richard Hanson in Tokyo

JAPANESE banks are arranging for the first long-term yen loan to be guaranteed by the U.S. Export and Import Bank under an agreement reached between the U.S. and Japan earlier this year.

The loan in total will be for Y30bn (£68m) to the National Power Company of the Philippines to finance the export of nuclear power equipment supplied by Westinghouse in the U.S. Signing of the agreement is expected in the autumn.

This marks the first concrete project to benefit from the decision by U.S. authorities to make use of yen export financing. In the UK, the Export Credits Guarantee Department (ECGD) has a similar arrangement with Japan. There are already several proposals under way for ECGD backing.

The loan itself will be split into two parts. The U.S. Eximbank will guarantee Y15bn (£34m) in a 12-year credit to the Philippines. The Philippines Government will guarantee the other half in a 10-year loan.

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†Recommended retail price for Cavalier GL 4-door saloon 1.3S £5818. Delivery and number plates at extra cost.

Jenkins says Gower can be won

By Robin Reeves, Welsh Correspondent

A PREDICTION that the Social Democrat-Liberal Alliance could win the Gower by-election was made yesterday by Mr Roy Jenkins, the SDP leader.

Brushing aside public opinion poll evidence which suggested last week that SDP support was running well behind the Conservatives, with Labour coasting to an easy victory, Mr Jenkins said in Gowerton that it did not conform with his impression.

Mr Jenkins who has carried out three walkabouts in shopping centres in the constituency said: "Votes can be shifted fairly easily and Labour is the softer vote. I think we can do well and maybe we can win."

Mr Gwynoro Jones, the SDP candidate, claimed a clear shift of opinion was taking place. "We are running a very strong second indeed."

Unemployment was the dominant issue in the campaign. Mr Jenkins said. "The Conservatives offer no hope, Labour offers no sense, we offer a realistic response."

Mr Gareth Wardell, the Labour candidate, yesterday called for an assurance from Mr Nicholas Edwards, the Welsh Secretary, that International Nickel's refinery at Clydach, in the constituency, which suffered further redundancies last month, would not face closure in December.

Mr Jones, for the SDP, claimed that British Steel was planning to close Velindre tinplate works, at the heart of the constituency.

Polling takes place on September 16.

Dublin caution on Prior visit

IRISH officials have reacted with caution to suggestions that Mr James Prior, the Northern Ireland Secretary, will visit the republic soon for talks with Government Ministers. A spokesman in Dublin said there were no arrangements for an early meeting. London is understood to have expressed interest in a meeting, which might be aimed at putting relations between the two Governments on a better footing.

Tory campaign in Scotland

THIS YEAR marks the start of the Tory Party's general election campaign, Mr Michael Ancram, chairman of the Scottish Conservative Party, said yesterday in a speech at Elgin. "We may not be on the actual hustings for many months to come, but we do not see the next election as a three-week wonder," he said. "We'll fight the next election starting now on the basis of what we stand for as a party."

Three-company trim with no job losses

ARMSTRONG Equipment, the Hull-based engineering group, is amalgamating the activities of three subsidiaries in Birmingham, which make screws and fasteners. A new company, Armstrong Screws and Fixings, has been formed to bring together the manufacturing and marketing divisions of the three companies: Crane's Screw Fasteners, Headings and Ormoed Engineering. No reduction is planned in the workforce of 200.

Improvements lead to job cuts

UP TO 60 jobs are to be cut at the Dickinson Robinson Group's Nash Mills factory at Hemel Hempstead, Hertfordshire, during the next 18 months. The move follows improved methods resulting from capital investment over the past year, the company said yesterday.

Orme seeks talks with British Steel

LABOUR'S shadow Secretary for Industry, Mr Stan Orme, is to seek a meeting with Mr Ian Macgregor, chairman of British Steel, to discuss the future of the corporation. "We cannot countenance any more closures and redundancies," Mr Orme said yesterday. He urged the Government to intervene to shield British Steel from the effects of cheap imports and the continuing American steel trade dispute.

Big drive against TV licence dodgers

THE BIGGEST national clampdown on television licence dodgers so far was launched yesterday in an attempt to retrieve some of the £55m revenue lost every year. The campaign, opened in Leeds by Mr Timothy Raison, Minister of State for Home Affairs, is aimed at tracking down 1.4m licence evaders. Almost every major town will be visited by a fleet of 22 television detecter vans over the next six months.

"By disregarding the law, TV licence evaders are making honest viewers pay more than would otherwise be necessary. It is totally unfair that their honesty should be exploited by the small minority who default," the Minister said.

Better sales help Nuclear Fuels to double profits

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH Nuclear Fuels, the state-owned nuclear fuel service group, doubled its net profits in the year to March 31 to £29.8m. Sales, especially exports, were substantially better than in the previous 12 months, the group reported yesterday.

But it expects tough negotiations with its main customers this autumn when its terms of trading with the electricity boards are due to be reviewed. The boards account for three-quarters of the group's sales, for fuel services for Britain's nuclear power stations.

Mr Fred Bonner, deputy chairman of the Central Electricity Generating Board, said yesterday he would be trying to persuade BNFL to carry more of the risk in what, in some cases, were essentially cost-plus contracts at present.

BNFL's net profit of £29.8m last year on sales of £412.7m compares with a profit of £12.9m in 1980-81.

Sir John Hill, BNFL's chairman, yesterday attributed the improvement mainly to "higher efficiency of operation in our factories."

He singled out three particular areas of improvement. One was the higher flow of Magnox (natural uranium) fuel through the refurbished Magnox reprocessing plant at Sellafield. Another was the uranium enrichment operation at Capenhurst, Cheshire, where the gas centrifuge process was now able to "match the prices of the huge American and French diffusion plants." As a result, the company had found some growth in a market that was very constrained.

BNFL had also negotiated a better tariff for electricity from the Calder Hall and Chapelcross reactors, which it manages for the Ministry of Defence.

As a result of the extra income, greater productivity, and the return to power of a reactor used as a dry store for spent nuclear fuel, the company had turned a £3.4m loss on electricity sales last year into a £3m profit.

The reactors were producing more electricity than in the 1950s when first built and seemed to have a very long life still in them, Sir John said.

Mr Con Allday, chief executive, said BNFL could now see its way to becoming a truly commercial company. It expected a Conservative Government to wish to sell up to 49 per cent of its shares, now wholly owned by the Department of Energy, to the private sector once the company's heavy capital investment programme was completed. Mr Allday expected investment to continue at the present level for a further four or five years.

The auditors, Cooper and Lybrand, note in their report on BNFL's accounts that no provision has been made for the potential costs of long-term storage of highly radioactive wastes the company inherited when it was set up in 1971. Mr Allday said discussions had begun with the Government on how these costs were to be met.

Heavy truck sales 'set to rise'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

LEYLAND VEHICLES, the BL subsidiary, believes sales of heavy trucks in Britain will jump by 20 per cent next year to about 57,500.

The company also expects 1982 to show a slight improvement over last year's depressed level of demand, with heavy truck registrations (those over 3.5 tonnes gross weight) moving up from 45,000 to about 47,500.

Last year truck sales fell by 25 per cent to the lowest level since the 1950s. Next year's forecast, however, must be seen in the context of the peak of 80,000 trucks registered in 1979.

Leyland's share of the heavy truck market has fallen to about 13.5 per cent from 16 per cent in 1981.

The figure is distorted to some extent because Leyland has stopped making the EA truck which accounted for 1-1.5 per cent of the market. The EA will be replaced next year by a purpose-built 2.5 to 3.5 tonnes van from the Freightliner sister company code-named the MT210.

The company, however, has undoubtedly been hurt by the month-long strike at the beginning of this year.

But Mr Chris Woodwork, sales and marketing director, said yesterday that Leyland's order books were looking "very healthy" and stretched well into the New Year.

The second assembly line at the Leyland, Lancashire, plant had been brought into operation ahead of schedule and the company was looking to improve its market share "a little" next year at a time when total truck registrations would be rising.

Mr Woodwark said the truck market was still competitive. "But we have noticed some firming-up of prices."

The proposed job cuts end plant closures which sparked off the dispute earlier this year have been put into effect. Leyland aims to cut the workforce by 4,100 or 27 per cent. So far 2,000 jobs have gone and the Guy truck plant at Wolverhampton has been closed.

Leyland's losses (£74m at the trading level in 1981) have been reduced significantly as the BL half-year results in two weeks' time will show.

The £37m assembly hall at Leyland, Lancashire, has a capacity of more than 500 trucks a week but is only turning out about 100. Output should rise to about 120 a week in the next few months as the second assembly line is brought on stream and new models come into production. Leyland has four new trucks to introduce at the Birmingham International Motor Show in October.

BL defends Sir Austin's £65,000

BY OUR MOTOR INDUSTRY CORRESPONDENT

BL yesterday defended the £65,000 a year Sir Austin Bide will receive when he takes over as non-executive chairman in November as "the market rate for the job."

Sir Austin already collects £63,000 a year as chairman of Glaxo, the pharmaceuticals group.

BL said. "We cannot give any idea of how much time Sir Austin will spend each week with the company. BL is the sort of company you don't switch off from. People get immersed in the company. Sir Austin is simply getting the market rate for the job."

According to BL, Sir Austin's role will involve establishing board meeting agendas and chairing the meetings as well as appointing committees within BL covering finance and investment.

The organisation Remuneration Economics, which prepares surveys on top salaries and advises companies on pay, confirmed that Sir Austin's salary was in line with the market rate.

Mr Stanley Orme, Shadow Industry Secretary, yesterday condemned the decision to split responsibility at BL when Sir Michael Edwardes leaves so that a part-time chairman can be appointed.

"I was astonished at the appointment," he said. "A full-time chairman, fully cognisant with the motor industry is essential."

Shell seeks cut in N. Sea crude price

BY RICHARD JOHNS

SHELL is seeking a reduction in the price of North Sea crude for the fourth quarter of 1982 of at least one dollar a barrel from the level of $33.50 set by the British National Oil Corporation.

The UK subsidiary is understood to have asked formally for a review of the rate set at the beginning of July. A number of other companies have also made their views known to BNOC, although at this point their position is apparently less well defined.

British Petroleum, the company with the biggest vested interest in lowering North Sea prices, has apparently yet to make any formal application. It it the UK producer with the biggest share of output from the Continental Shelf and thus the most to gain from cheaper domestic crude in its attempts to restore refining and marketing operations to profitability.

BNOC, the price-setter, through its power to purchase and sell 51 per cent of output from the Continental Shelf, shows little sign of heeding the argument of BP and Shell that indigenous crude is over-priced.

The discrepancy between the BNOC selling price and the spot market price has been closing. Yesterday traders reported a median price of $33.55 for Forties crude.

Another important factor, as far as BNOC is concerned, must be the forthcoming "privatisation" of the producing and exploration assets formerly held by BNOC and now vested in Britoil—provisionally scheduled for November. Even though it is by no means certain the sale will be held then, the Government is anxious not to risk the political furore which could arise if a lower oil price seriously affected the proceeds from it.

North Sea production has been holding up well in a slack market. No estimates are yet available for August but in July it is reckoned to have run at about 2.07m barrels a day, about the same level as in June.

Rothschild trust invests only a third of funds

By David Fishlock, Science Editor

BIOTECHNOLOGY Investments, the $45.9m (£26.74m) trust set up by N. M. Rothschild last year, has invested only about a third of its funds in its first year of operation.

The trust was started at the suggestion of Lord Rothschild, the biologist and founder of the Government's Think Tank, mainly to invest in unquoted companies exploiting genetic engineering.

Of a total of 92 proposals for investment from unquoted companies the trust has bought shares in eight, all in the U.S. These investments account for about $8m, or half, of the trust's spending so far, according to the first annual report.

The trust has invested roughly another $8m in 11 quoted biotechnology stocks, including Amersham International (UK), Fortia (Sweden), Novo (Denmark) and Eli Lilly (U.S.).

Lord Rothschild, who is chairman of the trust, believes investors should approach biotechnology—the application of biological processes to industry with patience.

Commercial impact

While the trust believes that genetic engineering could give biotechnology the same commercial impact as transistors, computers and microprocessors, Lord Rothschild urges investors to see the development as long term, "between three and seven years, and maybe longer."

The ratio of the trust's investments to proposals reviewed is "reasonable by normal venture capital standards," Lord Rothschild says. He notes however, that the world recession has made the trust adopt a very cautious approach to quoted as well as to unquoted investments.

"The valuations placed on many biotechnology companies were, and remain, too high in this context, although there has been some evidence that valuations are being reduced."

Biotechnology Investments' policy is slanted towards unquoted companies, particularly start-up ventures and those at an early stage of development.

Of the 92 unquoted proposals it has examined, 68 were from the U.S., 16 from Britain, five from Australia, two from Ireland and one from Switzerland.

Disappointed

Lord Rothschild admits that he has been disappointed by the British proposals.

The eight unquoted U.S. investments made so far are in Advanced Mineral Technologies (to exploit genetic engineering in mining), Agrigenetics (plant science), Applied Biosystems (scientific equipment), Applied Molecular Genetics (human and veterinary drugs, including interferon and new painkillers), DNA Plant Technology (plant science), Genetic Systems (monoclonal antibodies), Integrated Genetics (diagnostic techniques) and Repligen (insecticides and animal growth stimulants).

The report says the trust's portfolio will eventually be well diversified through investment in companies applying biotechnology to such industries as drugs, chemicals, energy, pollution control, mining and agriculture.

Market squeeze on coal

Miners' president Arthur Scargill takes warnings about marketplace difficulties as proof of a pit closure "hit list." With growing desperation, the Coal Board points to production losses of £250m a year. SUE CAMERON reports

AN INCREASINGLY chill wind is blowing through the National Coal Board's markets lending a new urgency to its discussions with the National Union of Mineworkers on the closure of uneconomic pits.

Mr Arthur Scargill, the union's president, is sworn to oppose any closures except for complete exhaustion—that is, there is no coal left. He takes the board's warnings about market-place difficulties as proof that the management has provocatively drawn up a "hit list" of pits to be closed.

The Coal Board, with what is becoming monotonous regularity, denies the existence of a hit list of specific pits. It admits freely, however, and with a growing air of desperation, that 12 per cent of its annual deep-mined production is losing £250m a year.

Its latest, anguished comments on the state of the coal market were delivered on Tuesday following a meeting with NUM leaders.

Mr James Cowan, one of the board's deputy chairmen, said falling demand, rising overseas competition and increased production from the UK's modern, capital intensive pits were likely to result in a "reduction in the industry's manpower requirements." Increasing "difficulty in the market place" had made "meaningful discussions" with the NUM necessary.

The Coal Board's arguments for abutting some 13m tonnes a year of uneconomic coal capacity are hard to gainsay once stripped of the oblique language in which they are invariably couched for fear of the NUM.

During the year ended in March, the board's losses were running at more than £1.5m for every working day. Ten of the 12 deep-mining regions made operating losses.

The taxpayer footed the bill for these losses via a government deficit grant of £428.3m, more than double the £149m deficit grant required in the previous year.

OPERATING RESULTS OF DEEP MINING AREAS

	Operating profit/loss £m	
	1982	1981
Scottish	−33.8	−25.1
North East	−48.5	−28.7
North Yorkshire	−20.2	−14.8
Doncaster	−17.5	−20.2
Barnsley	− 7.2	− 9.3
South Yorkshire	− 3.5	− 8.5
North Derbyshire	+ 2.7	+28.1
North Notts.	+42.2	+62.0
South Notts.	−18.4	+ 2.4
South Midlands	−16.8	−10.2
Western	− 9.2	−13.3
South Wales	−95.9	−68.9
Total mining areas	226.1	106.5

The reasons for the mounting losses are not hard to find. Demand for coal and for energy generally in the UK is far lower than predicted when the industry drew up its Plan for Coal in the summer of 1974.

This envisaged a UK inland demand for coal of about 132m tonnes by 1985. In 1981-82 inland consumption was only 117m tonnes. The board stresses that there is "little prospect of significant improvement over the next few years" on this figure.

Coal exports could help to boost the total figure a little but are unprofitable.

In the eight years since the plan was set out, the industry has invested heavily in modern economic capacity. The plan was designed to generate some 40m tonnes of new or replacement capacity. Almost 18m tonnes of new capacity is in place and a further 26m tonnes under construction.

The new or modernised mines are less labour intensive than the older ones and coal from them is far more economic.

In 1981-82 the average operating profit on coal from the North Notts region was £3.44 a tonne. The average operating loss from the South Wales region, where many of the older mines are, was £12.69 a tonne.

The single most significant area in which the plan is not on target is in capacity closure. The expectation was that 3m to 4m tonnes a year would be shut between 1974 and 1985. So far a total of 8m tonnes of deep-mined capacity has been shut.

To add to the board's difficulties, coal stocks are at an all time high relative to consumption. They are about 48m tonnes, with more than 20m tonnes stocked at power stations.

The high stocks are partly a matter of government policy. The NUM has long been the scourge of governments in general and of Conservative governments in particular.

Ministers are trying to take counter-measures against the effects of a possible miners' strike this winter.

Mr Scargill and other NUM leaders appear uninterested in coal economics except as they might "prove" the existence of a closure hit list. Mr Scargill is insistent about the hit list.

Some believe this is because he wants to arouse anxiety about job security among large numbers of miners. He then might have a better chance of persuading them to vote for strike action.

In one sense claims and counter-claims about closure lists are irrelevant. Market forces are militating more strongly towards the closure of uneconomic capacity in the coal industry.

High technology support schemes to be simplified

BY JASON CRISP

THE Industry Department's numerous and complex industry-support schemes for high technology projects are being reorganised. The department is worried that industry is unaware of substantial benefits available and is to simplify the schemes so companies can understand them.

The schemes are being assembled and promoted under one title, Support for Innovation. This includes:

- Finance from Research Requirements Boards and Product Process Development Schemes—these spent £150m in the past five years.
- Support schemes for special sectors—the Microprocessor Awareness Programme (MAP), the Microelectronics Industry Support Programme (MISP) and programmes for robotics, fibre optics, computer-aided design and others.

RRBs are merging with PPDSs under relevant Industry Department divisions. Five boards cover electronics and avionics, materials and chemicals, textiles and other manufactures, mechanical and electrical engineering and metrology and standards.

One reason for the merger was departmental concern that boards were insufficiently responsive to industry's requirements. Last year they gave industry and research bodies £21m, about £2.5m less than in the year previous.

Any company or research body seeking any of the forms of support for innovation will now have to apply only to its nearest Industry Department regional office.

Revenue accused of bias

BY ERIC SHORT

A BITTER attack on the Inland Revenue over its action against secondhand life bonds was made yesterday by the Linked Life Assurance Group.

The Revenue is accused of taking retrospective action against these bonds and of bias in listening only to views of the establishment in the life assurance industry.

The LLAG intends to make representations to Mr Nicholas Ridley, Financial Secretary to the Treasury.

A normal life bond bought direct from a life company is subject to higher rate tax on the profit. But if a bond was bought secondhand from an independent intermediary, the profit was only subject to Capital Gains Tax.

The Revenue issued a statement on June 24 to the effect that from midnight on June 25 all new secondhand bonds would be taxed as ordinary life bonds.

It followed this with a further announcement last week that new assignments or loans made since the deadline on bonds taken out before the deadline would result in the whole bond being taxed as an ordinary life bond and the Revenue backdated this action to its original deadline.

Activist to join Anglia building society board

By William Cochrane

A PROGRESS report on the proposed merger next April of the Anglia and London & South of England building societies revealed yesterday the existence of a boardroom reshuffle involving a noted activist, a major tax saving and a special bonus to some shareholders.

The activist is Mr Paul Twyman, who has been invited to become a director of the enlarged society. He is a civil servant. He opposed Anglia's previous merger with Hastings & Thanet Building Society in 1978 and unsuccessfully stood for election to Anglia's board over the past four years.

Also joining the board will be Mr Keith Wickenden, Tory MP for Dorking and chairman of European Ferries. Mr Wickenden said that to his knowledge there was only one other building society director in the Commons, Mr Eric Cockeram, Tory MP for Ludlow, who is vice-chairman of Liverpool Building Society.

The retirement age for directors is being reduced from 75 to 70. Mr Twyman said yesterday this reflected his views on board-members' ages.

Three current directors from London & South and three from Anglia will retire and share £49,000 compensation for loss of office. Mr Jack Corrin, Anglia chairman, said yesterday all the retiring directors were more than 70 years old or close to it.

The merger will be effected by transfer of Anglia's engagements to London & South although Anglia's name will be kept for the larger group. Because of this Anglia will change its year-end from December 31 to April 4, and in the process save £17m, threequarters of its tax provision.

Meanwhile, ordinary and bonus shareholders of London & South are to be paid a special bonus of 0.5 per cent costing more than £1m.

Mr Tony Stoughton-Harris, chief executive-elect, said the bonus had been calculated mathematically to balance the two societies' reserve ratios and took into account a surplus on a sale of London properties which is just being completed.

The two societies' combined 383 branch offices involve duplication in 32 towns. Post-merger plans envisage closure of 18 of these on a phased basis. Staff of both societies will be offered a guarantee that there will be no compulsory redundancies for five years.

Anglia, the sixth-largest building society before the merger was announced in May, is likely to rank seventh afterwards. It will be supplanted by the National & Provincial, the product of the merger between the Burnley and the Provincial building societies announced a month later.

Sampson batteries

A REPORT in yesterday's Financial Times, stating that Chloride was the supplier of Unipart's new Sampson battery range, was incorrect. The batteries are manufactured by Tungstone Batteries, part of the Hawker Siddeley group.

Minister spells out terms of help for new projects

BY LYNTON McLAIN

THE GOVERNMENT is prepared to assist aerospace projects but will demand "every expectation of a satisfactory real rate of return on its investment in much the same time scale as the aerospace company." Mr Norman Lamont, Minister of State for Industry, told leaders of the aerospace industry in London yesterday.

This is the first time the government has spelt out the terms under which it is prepared to consider a role in new aerospace projects.

"The prime criterion is that the project for which support is sought must in itself show satisfactory prospects of commercial viability," Mr Lamont told delegates on the second day of the Financial Times/Royal Aeronautical Society conference, Aerospace Enters a New Era.

"We will not support political aerosplanes designed with prestige rather than profit in mind," he said in a thinly disguised reference to Concorde-type projects.

Mr Lamont was keen that the terms of any future government support for aerospace should encourage British companies to improve their productivity to match major foreign competitors. The plan for the Government to recover its investment

Mr. Norman Lamont, Minister of State for Industry

over the same period as the company "will be an added incentive for the company to improve its efficiency."

Although the Government was now prepared to consider assistance for aerospace projects, it was still up to the industry to "select those projects with satisfactory prospects of commercial viability and to demonstrate that they are viable," the minister said. This could involve a partnership with the Government.

"In short, it is up to the industry to determine its own future."

In an attack on the "distortions" created by some credit terms for new aircraft sales, Mr Lamont said these had shielded the world's airlines from exposure to the true cost of money. "This is unlikely to continue; it is time to redress certain elements in this distorted balance."

In a reference to criticisms by the U.S. of subsidies for sales of European airliners, Mr Lamont said the British Government was sympathetic towards the efforts of the U.S. Administration to reduce the element of subsidy in supported export credit terms for aircraft sales.

He called for a new basis for aircraft financing which would reflect the commercial cost of money and would "neutralise competition in credit terms while recognising that the institutional situation in all markets may not be identical."

Sir Austin Pearce, chairman of British Aerospace, speaking after the Minister, agreed that aerospace projects should be profitable.

The U.S. helicopter manufacturer, Sikorsky Aircraft, "is willing to act as a catalyst with the U.S. Government" for acceptance of a "two-way street" in future co-operative helicopter development/production programmes with international partners, Mr Robert F. Daniell, president of the United Technologies Sikorsky Aircraft Company, told delegates at the conference.

"Sikorsky, working with one or more international partners, would formulate a mutual risk, mututally funded business arrangement to invest the necessary technical skills and resources in a joint development programme with a mutual production programme on the same basis.

"It is Sikorsky's intention to continue to explore collaborative arrangements which go well beyond those formulated in the past. These arrangements will address the total issue of helicopter development, production and marketing."

The proposals could result in joint investment in "major technical breakthroughs which exist on tomorrow's horizons."

Mr Daniell said the helicopter industry was small compared with the rest of aerospace, with eight manufacturers and 53,000 people able to make 2,500 helicopters a year.

"Unless we co-operate there is no room for all of us in the present business structure. This suggests that some of us had better get together and face the problem of the cost of development and production head-on."

FINANCIAL TIMES
AEROSPACE
Enters a new era
CONFERENCE

Admiral Sir Raymond Lygo, chairman and chief executive of the British Aerospace Dynamics group, in a paper on new developments in missiles, warned: "If we in this country fail to recognise that a new era of missile technology is dawning and fail to grasp and exploit the lead that our technology gives us, we will have missed the bus once again."

Britain was approaching the "age of third generation missiles," he said. These were becoming more multi-purpose and more complex.

Micro-processors and microchips had given Britain the ability to manufacture missiles able to accept changes in their computer programmes which altered their characteristics and capabilities.

Hyper-velocity missiles were about to appear. These would have a "great effect on the design and characteristics of weaponry.

"Our ability to make a missile think has accelerated to the point where we can match the hyper-velocity speed with a suitable speed of reaction," Sir Raymond said.

Some of these missiles will have no warhead and will depend only on their energy and high speed to destroy a target: "We have the possibility for the first time of using missiles in the same way as shorter range, multi-purpose guns."

Mr. Ivan Yates, group director of engineering and project assessment for the aircraft group of British Aerospace, in a paper on military aircraft, told delegates: "In arguably the most important single field of aviation, military combat aircraft, we can expect to see an increasing proportion of agile fighters." A second development would be an expansion of vertical and short take-off aircraft.

"International collaboration works. The lessons we have learned from the past mean that it can be made to work even better in the future and we must seek to build on our past successes, such as Tornado."

Labour and TUC call for new start on transport

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

AN APPROACH to transport policy which would require the repeal of much of the Government's legislation on the subject was launched yesterday in a joint TUC-Labour Party statement.

The document will be submitted to this year's TUC congress and Labour Party conference for approval. It is the first major statement on transport policy from the Labour Party since the White Paper which led to the 1978 Transport Act.

Mr Albert Booth, shadow transport spokesman, said yesterday: "Nothing short of a new start is required in the organisation of transport services in Britain and Labour offers a radical set of policies to achieve this. At the heart of these policies are the travelling needs of all people for a reliable, cheap and good quality network of road and rail services."

The statement proposes the creation of a National Transport Authority which would have statutory functions designed to influence broad policy and planning. This would be reflected in a Department of Transport assuming a broader and more interventionist role than at present.

The NTA, whose membership would consist of management, trade union, local authority and user representatives, would create a stronger lobby for public transport.

The statement also calls for extensions to the Government's role in the form of legislation to increase local passenger services and to bind government and operators in a framework underpinning and financing minimum levels of service. A wider role is envisaged for the public sector in road haulage, ports and shipping.

Increased investment in transport as well as revenue support, is urged. In evaluating claims for investment, the extension of cost-benefit schemes to rail and bus proposals would aim at more accurate comparisons between schemes.

Greater flexibility would be allowed in the borrowing powers of the nationalised transport industries, and the statement promises: "Greater access to private capital markets for loan capital and joint ventures with the private sector will be examined positively as long as ultimate public control is not relinquished."

Although it seeks to encourage the use of public transport, the statement does not include radical proposals to curb private cars. It does, however, float the idea of substituting increased petrol tax reflecting mileage driven—for the existing vehicle excise duty.

Proposals for the road haulage industry include legislation to implement the recommendations of the Foster Committee on operators' licensing, published in 1978. Large-scale nationalisation of the industry has been ruled out and there is no commitment to renationalise the National Freight Company. It is, however, considered that "the NFC should form part of a public sector approach to road haulage."

A Labour Government would encourage the transfer of bulk freight to the railways, although there would be no enforcement of such a policy. It would also make an immediate start on a full programme of main-line electrification.

Government denies duty to act on poor schools

By Michael Dixon, Education Correspondent

THE GOVERNMENT yesterday refused to accept a duty to take any action on reports by the state's independent educational inspectorate that local authorities are breaking the law by providing substandard schooling for children in their areas.

The refusal came in the Government's reply to the mixed-party Commons Select Committee on education, which in February proposed that the Secretary for Education and Science should accept the onus of at least publicly explaining why no central action was being taken on adverse reports by the inspectorate.

In April the inspectors reported that of the 96 English local education authorities, only five were completely fulfilling their statutory duty to provide for pupils to be taught according to their ages, abilities and aptitudes.

Another 79 of the authorities were unsatisfactory in one or two aspects of educational provision. The remaining 12 were viewed by the inspectorate as generally failing in their responsibilities under the Education Acts.

The same Acts give the Secretary for Education and Science powers to intervene if he or she is satisfied that a local education authority is defaulting on its statutory duty.

The Select Committee of MPs stated in its report that the inspectorate, under Miss Sheila Browne, the senior chief inspector, was the only body "capable of making an authoritative judgment about educational adequacy."

The MPs added: "It appears to us that where assessments of inadequacy are made by the Inspectorate, the onus should be on the Secretary of State to say why it is that he does not accept the validity of such judgments in respect of his own responsibilities under the Act."

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Yesterday's reply by the Government agreed that the Education Secretary was legally required to be satisfied, "having considered all the relevant information and advice," whether a local education authority was in default of its duty.

But the Education Secretary could not substitute the Inspectorate's judgment for his own, the reply continued.

Second Government Response to the Second Report from the Education, Science and Arts Committee: Cmnd 8648, £2.10.

TUC leaders urge support for health pay strikers

BY JOHN LLOYD AND IVO DAWNAY

PLANS to step up support by non-health unions to tighten the screw on the Government over NHS pay will be discussed today by the general council meeting in Brighton before the TUC Congress opens next week.

Senior general council members will push for a statement from the council on the dispute to be put to the conference. It is expected that this will urge unions to widen the action, in preparation for a more general mobilisation of union support than that seen so far.

The statement will pre-empt emergency motions on the dispute which would come from the floor. The council is concerned to remain at the forefront of the health action in order to retain its control over it.

Union leaders believe they have an issue which commands a measure of popular support, and will seek to use congress as a rallying point for the campaign to push up the Government's offer of 7.5 per cent for nurses and 6 per cent for ancillary staff.

The national executive committee of the right-wing Electrical Power Engineers yesterday issued an unprecedented declaration of support for the health workers, and warned of the dispute spreading into electricity and water industries.

The EPEA executive condemned Mr Norman Fowler, the Social Services Minister, for his "cynical handling" of the dispute, which, it said, had "neither morality nor logic." The executive urged Mr Fowler either to resume negotiations, or allow the issue to go to arbitration.

Talks aimed at reaching a long-term formula for establishing nurses' pay rates resume today amid deepening union gloom over their progress.

The National Union of Public Employees has already suggested that the discussions should be called off if the Government fails to agree to a catch-up payment before a new year-on-year system of pay rises is introduced.

Other nurses' bodies remain sceptical that any substantial advances can be made until the Government formally declares its position on the Megaw committee's findings on Civil Service pay comparability—expected this autumn.

Mr Trevor Clay, general secretary of the Royal College of Nursing, will express his concern over the progress of the talks at a meeting with Mr Norman Fowler, the Social Services Secretary, tomorrow.

The meeting was agreed after RCN nurses last week voted by two-to-one to throw out the Government's latest pay offer. Mr Clay said yesterday: "We will be asking the Government to think again, to keep talking and to seek mediation.

"We shall also be reminding the Secretary of State that he is accountable to Parliament for the state of the National Health Service."

Mr Clay said there was no point in implementing "a glorious mechanism" for nurses' pay if the formula failed to incorporate an understanding on improvements in basic pay rates.

However, he pointed out that the Megaw report suggested a comparability system taking account of available resources. He feared this appeared to offer the Government a means of throwing out the catch-up requirement.

Mr Bob Jones, Nupe national officer for the NHS, said yesterday that management negotiators had joined the staff side in arguing that some nurses' pay levels were inadequate.

Unions would be seeking further information from Mr Kenneth Clarke, the Health Minister, on his recent comments that the Government acknowledged the need to deal with the "absolute levels" of nurses' pay.

The restoration of former pay links between senior nurses and civil servants would be one way to approach the problem, he said.

Sporadic industrial action continued throughout the country yesterday.

City leaflet campaign over BT considered

By David Goodhart, Labour Staff

THE POSTAL workers union is considering circulating leaflets in two or three major cities attacking the Government plans to privatise British Telecom.

Mr Alan Tuffin, general secretary of the Union of Communication Workers, said yesterday the Post Office's home delivery service might be used as part of the anti-privatisation campaign backed by all six BT unions.

The idea of getting free delivery to homes was suggested at the Campaign Against Privatisation Committee's inaugural meeting. The UCW, which represents 150,000 postal workers and 40,000 telephonists in BT, established that free delivery was not possible. It is investigating the cost of a campaign using leaflets.

The cost of a nationwide leaflet campaign is estimated by the Post Office at £400,000. The Greater London area would cost £50,000.

Representatives of the BT unions meet again tomorrow to work out details of a day of action planned for October 25. The anti-privatisation committee has agreed to recommend a one-day stoppage.

The Post Office Engineering Union, the Civil and Public Services Association and the Society of Civil and Public Servants will go ahead with a one-day strike. UCW and the two smaller management unions have reservations believing that a strike will lose public sympathy.

The committee is expected to call tomorrow for a day of action with different unions deciding on the best form. The planned stoppage by the Post Office Engineering Union will disrupt telephone services.

A sum of £50,000 has been decided as a starting point for the British Telecommunications Union Committee's fighting fund to pay for publicity material.

The Society of Post Office Executives has said it will have to be careful about the allocation of funds. It does not have a political fund and the campaign could be interpreted as political.

Even if the one-day strike was judged political, and that seems unlikely, there is no possibility that the 1982 employment legislation could be invoked against it.

The Bill receives royal assent at the end of October but the relevant clauses will not become law for at least a month afterwards.

● The Union of Communication Workers' submission to the Industry Department opposing the privatisation plans for BT underlines the security risk arising from a lack of parliamentary accountability. With the growth of cable and other forms of telecommunications, there will be increasing danger of secret monitoring without a clear authority to prevent it.

Mr Tuffin said yesterday that BT's decision to postpone proposed increases in telephone charges was proof that public corporations have to listen to the public voice.

Pickets halt brick deliveries

PICKETS yesterday stopped brick deliveries leaving seven London Brick Company yards at Peterborough, Cambridgeshire, where 100 men are on strike over demands for more pay in return for operating new working practices.

OFT criticises practice of refusing credit in certain areas

By David Churchill

COMPANIES that refuse to grant credit facilities to consumers living in certain areas were criticised strongly yesterday by Sir Gordon Borrie, director general of fair trading.

Sir Gordon, speaking on the publication of an Office of Fair Trading paper on credit scoring, said he was "most uneasy that an arbitrary practice known as 'red lining,' under which credit is refused to everyone living in a particular area, may be in use by some companies."

Red lining is applied by some companies to inner-city areas and may cover everyone living in a block of flats or street. Sir Gordon said this practice not only raised issues of fairness but could also "involve offences under legislation concerned with racial and sex discrimination."

He said the OFT had the power to refuse a credit licence—which all credit traders must have—to anyone "indulging in deceitful, oppressive, unfair or improper business practices."

The OFT is seeking comments on the practice of red lining and the growing use of credit scoring.

Credit scoring, which is used by more than 20 UK credit companies, is a system for granting credit based on factors which are each given a points rating. If the credit applicant achieves a "pass mark," credit is granted.

Companies using credit scoring say it is less susceptible to human error and can enable junior staff to take credit decisions.

Sir Gordon, however, warned that there could be a risk that some people may find themselves being unfairly refused credit as traditional methods of credit assessment are replaced by more automated credit-scoring systems.

"If credit-scoring systems do not retain an element of flexibility to cope with applicants who do not quite fit into their categories, they run the risk of unfairly turning down people who are sound credit risks."

Royal Bank of Scotland to set up merchant unit

BY WILLIAM HALL, BANKING CORRESPONDENT

THE Royal Bank of Scotland is expected to announce the formation of Scotland's biggest merchant bank in the next few months and is considering hiring an outside merchant banker to run the unit.

The British Linen Bank, owned by the Bank of Scotland, is the biggest merchant bank north of the border at present. The Royal Bank has been conscious for some time of the need to upgrade its services in this area to match competition from its Scottish rival and from the English merchant banks which are becoming increasingly active in Scotland.

The Royal Bank of Scotland ventured into merchant banking before with the establishment of National Commercial and Schroders in 1964. Its name was later changed to National Commercial and Glyn's, but the bank never made much impression and last year was dropped from the list of banks whose acceptances are eligible to be bought by the Bank of England in its money market activities.

In 1973 the Royal Bank set up a corporate finance division which will provide the nucleus of the bank's new merchant banking venture. The corporate finance division has been headed for the last seven years by Mr Bill Simpson, who retired earlier this week.

Mr Charles Winter, chief executive of the Royal Bank, said yesterday that the bank had decided not to replace Mr Simpson until plans had been finalised for the merchant banking venture.

He said that most of the merchant banking functions were already being carried out by the corporate finance division, which has a staff of about 70 and is bigger than the British Linen Bank in terms of assets. However, he was anxious to give the Royal Bank's merchant banking operations "greater visibility."

No decision has been made on the vehicle for the bank's merchant banking venture, although the bank has two units, National Commercial and Glyn's and Royal Bank Development, which could provide an operational base.

Mr Winter said the Royal Bank might look outside the group for a chief executive for the operation. Initially, the intention is that the merchant bank will service the Scottish clearing bank rather than the group as a whole.

Exocet detector unveiled

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

A NAVAL radar system which could provide even small warships with early warning of sea-skimming Exocet missiles has been developed by Plessey, the electronics company.

The AWS-6 will be launched formally at the Farnborough international air show next week with three other new or improved military and civil radar systems which Plessey unveiled in London yesterday.

The Royal Navy is understood to be interested in that part of the AWS-6 used in the Sea Guard gun and radar anti-missile system.

The new system's keynote was flexibility, the company said. So light it could be fitted in small warships and coastal patrol vessels, it has an 80 per cent probability of detecting a missile at long range. Thus it enables a ship's point defence system to track and destroy a missile such as an Exocet in the last seconds of its flight.

Many of Plessey's radar systems have been designed specifically for export outside Europe. It is estimated for example that only 12 per cent of the potential market for the Sentinel, a new short-range land-based system, is in Europe.

Plessey has sold to Argentina, among other countries in Latin America. Mr Richard Worby, the sales manager, said yesterday sales could resume if the ban on arms exports were lifted and export licences granted

Breaking with British tradition

By James McDonald

HOTELS AND guest houses are finally adjusting to the changing pattern of British holidaymaking, particularly the growing popularity of short breaks outside the traditional peak seasons.

Next week the English Tourist Board, a pioneer in promoting the short-break concept, will launch its 1982-83 programme.

But the East Anglia and South-east England Tourist Boards jumped the gun in Ely yesterday with the launch of their own Take a Break on a Budget brochure featuring 120 two-night package holidays in small hotels, guest houses, farmhouses and inns.

The packages include two dinners and two English breakfasts and prices are mainly in the £20 to £25 per head range.

A number of the packages include such extras as free theatre, a round of golf and horse riding.

Many stores oppose Sunday opening

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

MANY LEADING retailing groups are against liberalising Sunday trading laws, according to a survey of 38 large retailers. Together they employ more than 500,000.

Most department stores were firmly against any change, as were most grocers.

Most support for Sunday opening came from do-it-yourself retailers, and retailers such as Habitat and Rumbelows also backed the idea.

The survey was carried out by the magazine Large Mixed Retailing.

The debate on Sunday trading laws was reopened recently by Mr Iain Sproat, a junior minister at the Trade Department. He suggested that the Government might support a private member's Bill to extend shop opening hours.

Attempts have been made over the past 20 years to alter the law restricting shop opening hours, but opposition from trade unions, retailers and religious groups has prevented any change securing parliamentary approval.

In the survey, the 236-strong Fads do-it-yourself chain was one of the few such retailers to seem reluctant to embrace wholeheartedly any extension of shopping hours.

It said: "Basically we hate the idea that it is coming but look on it as an evolutionary move in shopping habits. It will inevitably be a very expensive exercise as utility costs of heating, staff employment, etc, will simply drive up overheads."

Carrefour "would love to be open on a Sunday, particularly for gardening and d-i-y products." Comet said: "We feel that shops or retail outlets should open when customers want to shop."

Marks and Spencer "will not be opening our stores on a Sunday as traditionally this is a day of rest." However, it recognised the need to rationalise present laws.

The John Lewis Partnership said: "Sunday trading is potentially disadvantageous to customers, traders and the economy, not only in terms of cost but also in the way it might disrupt the lives of those who work in retailing. This would make it difficult to attract and retain recruits of the high standards we require."

BSC meets all 18 unions over transfer of bonuses to basic pay

BY OUR LABOUR STAFF

BRITISH STEEL Corporation officials yesterday met representatives of all 18 BSC unions to discuss the transfer of bonus payments into basic pay.

Union officials stressed the importance for the future of the first ever joint meeting with all unions present. Mr Bill Irvine, executive member of the Iron and Steel Trades' Confederation, said: "This is an historic development, it will pave the way for much greater co-operation between the unions in the fight for survival."

It was agreed at the meeting to transfer 2½ per cent from lump sum bonuses into basic rates. The company accepted in principle earlier this year that a part of bonus earnings should be consolidated into basic rates in the light of performance improvements in the first six months of the year.

First quarter bonuses added an average 4 per cent to earnings. Some plants received 10 per cent and a few as little as 1 to 2 per cent. The unions were pressing for a 5 per cent increase in basic rates to come from the bonus scheme.

Mr Bill Sirs, the confederation's general secretary, yesterday dismissed a suggestion from Mr Ian MacGregor, BSC chairman, that one of the five major British Steel plants may have to close as a result of U.S. import restrictions.

Mr MacGregor's comments came a week after the announcement of rationalisation plans which could lead to the loss of up to 3,000 jobs.

Mr Sirs said: "They just want to keep us frightened by hinting at more major closures. The American restrictions will only lose us sales of about 200,000 tons and our capacity is already below demand in this country."

● BSC claimed yesterday that a poll of 3,000 BSC workers carried out by Opinion Research revealed majority support for the corporate survival plan and the system of local lump sum bonus schemes. The company would not give further details of the poll findings but a spokesman said the majorities were "substantial."

Civil Service meeting expected to back talks on pay system

BY PHILIP BASSETT, LABOUR CORRESPONDENT

CIVIL SERVICE union leaders have called an urgent meeting of the Council of Civil Service Unions next Tuesday, which is expected to sanction the start of discussions with the Government on the Megaw report on civil service pay.

Further union progress on Megaw was thought unlikely until the next scheduled meeting of the council, set for October.

Agreement to the special meeting was reached in the face of opposition from the most militant union, the middle-grade Society of Civil and Public Servants, which said no meeting should be held until the unions' policy on Megaw was formulated.

Other unions argued that much of that policy was now clear—partly arising from the original council evidence to the Megaw inquiry, and partly from talks last month which accepted a number of the Megaw report's points.

Most unions said that while the Government seemed to show little urgency on Megaw, the SCPS, Civil and Public Services Association and Inland Revenue Staff Federation were all holding special pay conferences in December so an early council response was necessary.

The meeting on Megaw is expected to approve a two-part motion, to be proposed by the IRSF and seconded by the CPSA, noting the preliminary discussions which the council's major policy committee has already staged and authorising "without prejudice" informal discussions on Megaw

It is unclear whether the SCPS will continue to oppose discussions when the council meets. Once a decision is taken, however, all unions are expected to be bound by it, even though the SCPS argues that to start informal discussions is tantamount to a tacit acceptance of the report.

Differences of opinion are underlined by new proposals on the procedure for individual unions to secede from the council. The First Division Association has been warning that it might consider seceding if the council's key negotiating committee is expanded without the FDA being given a seat on it.

Balancing act in general council

John Lloyd, Labour Editor, continues to preview this year's Trades Union Congress. In part three he looks at the problems created by trade group concept.

MANY UNION leaders, already gathering at Brighton for the TUC Congress next week, will be looking to Monday's debate on the structure of the general council as the most important of all. Yet it remains, to outsiders, relatively obscure.

Its importance lies in the shift of political balance within the council once its structure is changed. Its obscurity resides in the complexity of the present system of electing the council, and the equal complexity of the system proposed to replace it.

The present method of electing general councillors was established more than 60 years ago, and is based on the trade group concept. Under it unions are bunched into 18 groups ranging from the three mining unions in group one to the solitary General and Municipal Workers in group 18, for general workers.

Councillors are elected from each of these groups according to its aggregate numerical strength—though the representation often reflects past, rather than present, numbers. The National Union of Public Employees, for example, has twice the membership of the three mining unions taken together—but only one councillor against their two (both of whom come from the National Union of Mineworkers).

The election is mounted at congress each year, and is generally a stagy affair. The bigger unions always get their traditional "quota" on the council, while the smaller unions generally owe their place to a mixture of industrial strength, like the train drivers' union Aslef, and patronage of a larger union, or group of unions. This patronage is, in turn, based on their general willingness to follow their patron's line.

It is clearly far from perfect. Its imperfections have been especially obvious to medium sized unions—often four or five times bigger than those with representation on the council—who are permanently barred from it. One of these, the Post Office Engineering Union, proposed at last year's congress that the council be selected on the basis of automatic representation of all unions with more than 100,000 members, with the smaller unions electing representatives from among their own number. This was passed by more than 1m votes, largely because the Amalgamated Union of Engineering Workers reversed its previous policy of opposing change.

The POEU motion called for proposals to come to this year's congress, and they have duly been worked out by TUC staff. The larger unions get automatic representation of one or more councillors, to a total of 37: the smaller unions would elect 11 councillors from their own number, from a single list. In addition there would be six women's seats against five at present — the proposed council would thus have 54 members.

The opposition to the automaticity principle, as it is known, has been fierce and has come largely from the left. In power terms, the left loses out by a new structure, since many of the small unions presently represented are left-led—such as the train drivers, the television technicians, the tobacco workers, the firemen and the musicians.

The automaticity principle would replace many of these by medium-sized unions, like the POEU itself, the bank employees, the second largest teaching union, two civil service unions and the craft printers, most of whom are right-led.

This would swing the council over to a position where the left could expect to win fewer, if any, crucial decisions: and where the centre-right of the movement could dominate consistently. In key areas—like incomes policy and relations with government—that could make a big difference.

These considerations clearly underpin the debate—but it has also given rise to a fascinating division of view on which system is the more democratic.

The pro-change lobby has argued that since the trade group structure was adopted, the industrial structure has fundamentally altered, and this has not been reflected adequately at council level. Thus important groups, especially in public sector and white collar areas, are effectively disenfranchised. A system which automatically enfranchises large groups is, self-evidently, democratic.

The anti-change group concedes that some alterations to the trade group structure could be desirable—but concentrates its fire on the replacement of present elections by congress with one which is selective. It says that councillors who owe their places to an electoral college will be more responsive to the movement's will than those on the council by right. This is supplemented by the view that many small unions are industrially powerful beyond their numbers.

There has been much arm-twisting and lobbying in past months, and a major feature of congress will be to see how successful this has been. The Association of Scientific, Technical and Managerial Staffs and the National Union of Public Employees have been the target of much pressure—they voted for change last time and could swing congress back to status quo if they succumb.

No matter how the vote may go, the spirit of change will not be laid to rest. If the anti-change lobby wins out it will need to put forward proposals of its own if congress is to avoid a constant see-saw of votes on an issue which, while complex, is both divisive and crucial for the TUC's future.

APPOINTMENTS

Changes at F. H. Lloyd

Mr F. P. Greasley and Mr J. Dawson have been appointed to the board of F. H. LLOYD HOLDINGS. Mr Greasley becomes managing director of the foundries division. Mr A. D. Harris managing director of the engineering, overseas and services divisions, and Mr W. A. Kingell managing director of the steel division. Mr Dawson becomes administrative director and continues as company ...

★

Mr David Evans has been appointed sales director of LONE STAR PRODUCTS, a Die Casting Machine Tools subsidiary. Mr John Hutson, whilst remaining a director of Die Casting Machine Tools, is also assuming responsibility for the sales and marketing of Crescent Toys.

★

Mr William Simpson, general manager corporate finance at the ROYAL BANK OF SCOTLAND, will retire on August 31.

★

The Lords Commissioners of Her Majesty's Treasury have appointed Mr Henry Keswick as a Trustee of the NATIONAL PORTRAIT GALLERY in succession to Sir John Plumb, whose term of office has expired.

Mr John Pallett has been appointed to the board of RAMSBURY BUILDING SOCIETY.

★

Mr D. J. Richardson has joined DOWTY PRECISION CASTINGS as director and general manager. He was general manager of the Hardy Spicer division of GKN.

★

Mr Lionel A. F. Anderson and Mr Nigel G. Watson have been appointed directors of CHARTERHOUSE JAPHET INVESTMENT MANAGEMENT.

★

Dr Peter Troughton has been appointed managing director of HILGER ANALYTICAL, in succession to Mr Ken Rippon, who becomes deputy chairman. Dr Troughton was managing director of the UK subsidiary of a Swiss group specialising in the design, manufacture and installation of turnkey powder coating plant.

★

Mr Michael J. Tong has been appointed to the new post of senior manager, Treasury, of THE AUSTRALIA AND NEW ZEALAND BANKING GROUP with responsibilities for foreign currency and treasury operations in London.

★

Mr Dennis A. Head has been appointed director of operations by SHORTS, the Belfast aircraft manufacturers. Recently, Mr Head held a similar position with Rolls Royce of Derby.

★

Mr Leonard Holbrook, chief estimator with WHITBYS, has been appointed to the board from October 1.

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Write in confidence, giving details of qualifications and experience, and quoting reference 5169/L, to E. M. Nell, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

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Executive Selection Division

Chief Accountant

required by the London headquarters of a medium sized building and civil engineering company with Stock Exchange quotation. Candidates probably aged 40-55.

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Résumés, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to Stephen Blaney, Executive Selection Division, Ref. B053.

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We propose to publish the list in our issue of Thursday, 23rd September 1982, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

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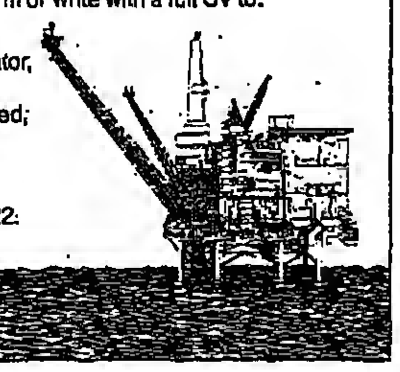

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The other student depending on experience could work in either our New Developments or Financial Analysis areas, carrying out research into fields of business activity or analysis of the company's current and planned financial position.

Graduate Trainees

We also require two high calibre graduates in mathematics, one to join Abbey Life Investment Services in London and the other to progress through the mainstream actuarial departments in Bournemouth.

For these positions there is a substantial remuneration package, including a subsidised mortgage scheme, Pension benefits and Life cover. Generous relocation expenses are available for the more senior appointments.

Please write with career details or telephone for an application form to:

J.R. Gamble B.Sc. F.I.A., Executive Director,
Abbey Life Assurance Company Limited,
Abbey Life House, 80 Holdenhurst Road,
Bournemouth BH8 8AL.
Tel: Bournemouth (0202) 292373

Abbey Life

INVESTMENTS MANAGER

Circa £14,500 plus Car and Benefits

As a consequence of the retirement of the present Investments Manager and the re-organisation of the department, the Society is seeking to recruit a Manager of the department in Halifax which is responsible for the investment of the Society's liquid funds. The total investments now exceed £2,400 million.

Applications are invited from suitably qualified persons with a minimum of five year's experience operating in the money and financial markets at a senior managerial level.

The Society offers good working conditions, a progressive salary and the usual benefits including a staff mortgage scheme.

Applications will be treated confidentially and should be addressed to:-
H Gautrey FCIS, General Manager (Staff),
Halifax Building Society, PO Box 60,
Trinity Road, Halifax, West Yorkshire HX1 2RG.

They should contain full personal and career details. Closing date for applications 20th September 1982.

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If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for a free, confidential appointment with a consultant, or send us your c.v.

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London: 01-580 6771
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The Rotunda, New Street.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-204 0947, 11 Bothwell Street.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Limited.

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London Based — £14,000-£18,000

We are the management consultancy arm of one of the largest International accounting firms and are seeking additional professionals with good experience of banking systems to join our growing team.

Much of our work is involved with banks and related financial institutions. Consultants will advise clients both in the UK and in the Middle East on the selection, design and implementation of computerised banking systems.

Applicants, aged 28 to 35, should have a relevant professional qualification and/or a good university degree and some years experience of the design and implementation of banking systems. This may have been gained either with a systems supplier or with a user and should include taking at least one major project to a successful implementation.

We can offer excellent opportunities for increasing work experience and career progression in an expanding firm. An attractive salary will be paid together with the benefits associated with a large international firm. Please send relevant details to P Wagstaff at the address below:

E&W Ernst & Whinney Management Consultants
57 Chiswell Street London EC1Y 4SY

INTERNATIONAL BOND SALES

Skandinaviska Enskilda Banken is currently in the process of setting up an international capital markets subsidiary in London and is seeking experienced personnel for its bond sales team.

Successful candidates will be able to demonstrate a proven ability to deal with major international investors' portfolio requirements. They will be expected to work in an environment which emphasises a team approach to the creation and execution of clients' needs. The ability to communicate in more than one language will be an asset.

The positions will represent a challenging opportunity to join a new operation with substantial financial resources and will appeal to those people who are interested in developing a diverse and well-rounded career in investment banking.

An attractive remuneration package has been designed to include the usual benefits associated with such positions, including a performance bonus scheme.

Candidates should apply in writing or by telephone to:

Mr W Bryan Nelson
9th Floor, 26 Finsbury Square
LONDON EC2
Telephone: 01-638 3500

All applications will be treated in strictest confidence.

DIRECTOR

Outward Bound Trust

£18,000 + car — London

to be responsible through marketing and publicity for maintaining the flow of some 6,000 students pa to 5 Outward Bound centres, the raising of charitable funds, co-ordinating the activities of the schools and for financial and general administration. A degree or equivalent qualification is desirable together with evidence of successful senior management with financial responsibility in industry, commerce or education. Likely age 45-55. Salary £18,000 plus car; London base.

Please send full career details, in confidence, to A. R. Forrest, Ref. 81166, MSL Management Consultants Ltd., 17 Stratton Street, London W1X 6DB, to arrive by 17th September 1982.

PRIVATE CLIENTS

Owing to an increasing workload, a firm of City stockbrokers has a vacancy in its Private Client department.

The requirement is for a person with some years' investment experience who will be capable of taking over existing portfolios after a short introductory period.

Please reply, giving details of your career to date, to:

The Senior Partner
GALLOWAY & PEARSON
Warnford Court, Throgmorton Street
London EC2N 2AU

Senior Banking Appointments

SENIOR CORPORATE LENDING — Salary c £20,000
Established European Bank wishes to maintain and develop their corporate lending activities. The candidate will be responsible for all new business and have in-depth experience of credit and trade related transactions including letters of credit and ECGD.

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Major US Bank is recruiting at assistant manager level for its overseas audit team (up to 60% travel). Banking and auditing background necessary.

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An opportunity to join a developing US Bank and take control of their accounts department, responsibility for B of E returns and IBM 34 data processing.

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PLEASE CONTACT: David Little or Brian Gooch.

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

هكذا من الأصل

CORPORATE FINANCE MANAGER

Skandinaviska Enskilda Banken is currently in the process of setting up an international capital markets subsidiary in London and is seeking an experienced executive to be a manager in its corporate finance department.

The corporate finance department will undertake advisory work, equity listings and placements, preparation of eurobond issues, loan syndications and other fee-earning activities.

Candidates should preferably have a professional qualification in addition to a good University degree and have a minimum of five years' experience in the corporate finance field.

The successful candidate will be a highly-motivated individual who will work well in a team environment.

The position will carry an attractive salary and remuneration package.

Candidates should apply in writing to:
Mr. S. I. Maizels
9th Floor, 26 Finsbury Square
London EC2

All applications will be treated in strictest confidence.

BANKING OPPORTUNITIES

BUSINESS DEVELOPMENT £20,000+
A professional banker is required by a well-known International bank to take on the responsibility of marketing the bank's services in Eastern and Central Europe. Applicants should be mid 30's, fluent in German and French, have had at least four years' experience preferably gained in an American bank and possess appropriate qualifications for this senior position.

FOREIGN EXCHANGE £20,000+
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EUROBOND DEALER c. £16,000
An experienced Eurobond dealer, mid 20's, is required by a major bank name in the market. Applicants should be experienced in straights and convertibles.

BUSINESS DEVELOPMENT c. £12,500
An experienced International banker is required, aged over 25, by a prime named bank. Duties will be to develop a range of new products and services which can be marketed to bank clients. A broad based banking experience is therefore paramount.

CREDIT MANAGER c. £12,500
Credit manager, aged late 20's, is required by U.S. bank to head a small unit of three people dealing with UK corporate middle market high risk business. Experience in leasing and hire purchase finance preferable.

MARKETING EXECUTIVE c. £10,000
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LJC Banking Appointments Ltd.
170 BISHOPSGATE, LONDON EC2M 4LX
01-283 9953

David Grove Associates
Bank Personnel Recruitment
60 Cheapside, London EC2V 6AX.
Telephone: 01-248 1858.

FOREIGN EXCHANGE/TREASURY MANAGERS £ Neg
We act for a number of International Banks who currently seek to appoint Managers of their Foreign Exchange/Treasury business. Vacancies are available in London and Bahrain. Candidates will have had successful careers in this area and be holding Chief Dealer or Treasury Management positions in established Banks.

We also have a number of Foreign Exchange Dealing vacancies.

MANAGER-CORPORATE FINANCE min.£25,000
This positoin with a highly reputable Bank calls for considerable experience in the corporate finance department of an Accepting House, probably as a team leader. Candidates should be keen to develop new business. The remuneration package is very negotiable.

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In respect of the above appointments please contact
David Grove on 01-248 1858

Gilt Edged Department

MONTAGU, LOEBL, STANLEY AND CO.

In order to expand our established Gilt Edged Department we require further sales staff.

Applicants should have Gilt Market experience, which will probably have been gained with a firm of stockbrokers.

Remuneration is negotiable, depending upon experience.

Please reply with full particulars to:

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31 SUN STREET
LONDON EC2 2QP
01-377 9242

Eurobond Dealer

We seek a Bond Dealer of proven ability to join a small but well-established team in our new dealing room.

Candidates should be in their mid/late twenties and have at least three years' experience of trading in fixed-interest securities, gained preferably in the professional sector of the market.

Remuneration will be competitive and related primarily to experience. Initial salary will be reviewable after six months.

Applications, which will be treated in the strictest confidence and should be accompanied by a full c.v., should be made to Mr. Christopher Hoysted at:

Swiss Bank Corporation International Limited
Three Keys House, 130 Wood Street, London EC2V 6AQ.

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Candidates, 35 to 45, ideally qualified in commercial law, must have extensive commercial experience gained in, for example, overseas contracting or turnkey projects in the Middle East; experience of dealing with UK Government contracts desirable.

Usual benefits and relocation assistance if necessary.

Please write – in confidence – stating how the requirements are met to Lionel Koppen ref. B.42136.

This appointment is open to men and women.

MSL
United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.
Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

Assistant Gilt Fund Manager

Due to continuing expansion, Allen Harvey & Ross Investment Management are seeking an assistant fund manager for their diversified gilt and fixed-interest portfolios.

The successful applicant is likely to be in their mid-20s and will already have had two to three years' experience of dealing in the gilt edged and fixed-interest markets.

A competitive salary will be paid, commensurate with age, together with the normal fringe benefits.

Applications in writing, with full cv including current remuneration, should be addressed to M A Lawrence, Managing Director, at the address below.

Allen Harvey & Ross
Investment Management Limited,
1 King William Street. London EC4N 7AU.

Acquisition Management

Our clients, a British organisation in London, are committed to major investment in a range of ventures mainly in biotechnology, fine chemicals and new materials and to their ongoing management.

Acquisitions are identified, studied, negotiated, implemented and monitored by a team of successful executives. The new appointment is needed to deal with a growing workload and will be at a senior level.

We would like to hear from men or women, aged 28-40, with a science degree, understanding of company funding, and a varied management background including acquisition work. The job will go to an exceptionally able person whose record demonstrates an ability to think conceptually and get things done and the potential for progression to general management.

Target salary £18–20K but could be more. Car and large company conditions. Please write in confidence with CV and salary indicator to Terry Turner.

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The one who stands out

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Applicants, male or female, please telephone Brian Smith, Director-Recruitment on 01-903 9477 quoting Ref. No. M2220, or write to Aplin Phillimore Associates, Circle House North, 69-71 Wembley Hill Road, Wembley HA9 8BL.

APLIN PHILLIMORE

CREDIT ANALYSIS

INTERNATIONAL BANKING

£8,000-£10,000

AGE: Probably about 25,

EDUCATION: Ideally a Graduate: possibly good O/A levels, plus A.I.B. or similar qualification.

EXPERIENCE: Around 2 years training and direct involvement in financial analysis/credit appraisal, preferably within international banking.

Excellent prospects are offered by a number of active International banks to people who match up to this specification.

To measure these opportinities against your own career objectives, telephone to arrange a meeting with Ann Costello or John Chiverton.

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Stockbroking firm with substantial international business seeks two enthusiastic young individuals to join existing sales team for Australian and Far East desks.

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Please reply with cv to: Box A7950,
Financial Times, 10 Cannon Street, London EC4P 4BY

B A N K I N G

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Assistant Vice President

Foreign Exchange Marketing

Merrill Lynch International Bank is experiencing a rapid expansion of its customer foreign exchange business and requires an experienced individual to assist in marketing these services to its clients in Europe and the Middle East.

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Please address all enquiries to:
Personnel Administration
Merrill Lynch Holdings Ltd.
27 Finsbury Square London EC2A
(No agencies)

Merrill Lynch

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c. £30,000

The Colegrave Group is currently based in London and now want to create country-wide representation. We are a financial services group providing tax effective and other investments for companies and private individuals. We supply a rapidly expanding market in which our products are in great demand. We are looking for agents who are experienced in financial services such as leasing, pension funds, life insurance business and other services. We are also prepared to consider executives without this experience as we will provide a full training programme. The agents will be provided with all possible backup material and head office support. Generally they will work in their own areas but could have an office in London. They will be expected to take charge of existing clients within an area as well as creating new business.

Please contact:
Mr. Robert Burton
THE COLEGRAVE GROUP
84 Baker Street
London W1M 1DL
Tel: 01-486 4420

EUROPEAN CURRENCY MANAGER required for International company in Brussels. Salary c£14,000 + fringe benefits. Tel: 01-622 9638, Sheila Burgess, Personnel Counsellor.

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راتب معفى من الضريبة مع مسكن مؤثث وسيارة

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Please send a detailed curriculum vitae to Roy Webb.

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New York is a most challenging and vibrant financial centre and the foreign exchange market is growing rapidly. The position is demanding and independent, and the applicant should have several years' experience in FX dealing.

While responsible for the branch's significant FX activities as well as co-ordinating with the Bank's international dealing centres (London, Hong Kong, Luxembourg) the FX Manager Chief Dealer will be a member of a dynamic management team. Interested candidates should send a written application to:

PRIVATBANKEN
450 Park Avenue
New York, NY 10022
attention Roger Anderson

Private Banking

Geneva

Chemical Bank, one of the world's leading banking groups, is currently expanding its activities in the field of investment management, and is looking for an Arabic-speaking Officer for its new Geneva branch.

Probably aged between 30-40, the ideal candidate would be a Swiss national, with a solid banking background involving contact with private customers, who has worked in an Arabic-speaking environment for at least 3 years. The position, which reports directly to the General Manager, is of a level to attract the highest-calibre professionals.

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Applicants should reply in absolute confidence, enclosing a full curriculum vitae to:
The General Manager, Chemical Bank,
P.O. Box 174, 1211 Geneva 1, Switzerland.

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BUSINESS LAW

The EEC's training college

BY A. H. HERMANN, Legal Correspondent

A REMARKABLE judgment was banded down by Mr Jnstice Dillon in the Chancery Division of the High Court in July which — if not reversed — might well open up access to free higher education in the UK to all enterprising EEC nationals. The dispute* was between Mr Tarlach Joseph MacMahon, a national of the Irish Republic, and the Department of Education and Science, the London Borough of Redbridge and St Mary's College, Richmond upon Thames. Mr MacMahon won, but there may be an appeal.

Mr MacMahon, who was born and brought up in the Irish Republic, came to England in June 1978. On August 27 1978 he started employment as e production worker with Ford at Degenham, but soon afterwards decided that he wanted to become a teacher. He applied for a place on a one-year course at St Mary's, an approved teacher training college. When he was accepted he gave up bis job at Ford and completed bis course on June 13 1980. It seems that his employment with Ford lasted one year at most.

Educational authorities in England have a duty to award a grant to any student attending a designated course such as that at St Mary'a, but there are certain exceptions. Therв is no duty to provide an educational grant to a person who has not been ordinarily resident in the UK for the preceding three yeers. Mr MacMahon clearly fell within this exception and, accordingly, he waa refused tbe award and was also required to pay college fees at the higher rate applicable to foreign students.

Having completed the course, Mr MacMahon obtained a job as a teacher, and brought an action in the High Court against the Department of Education and all the other authorities involved, claiming that thв requirement of three years' residence discriminated against EEC nationals not resident in the UK, and that for thia reason it must be considered as null and void under EEC law.

He relied mainly on EEC Regulation No. 1612/68, safeguarding EEC workers' freedom of movement from one member country to another. Article 7 of this Regulation provides that a worker from another member state may not be treated differently from national workers in respect of any conditions of employment, in particular as regards remuneration, dismissal

> According to a Chancery judgment, the three years' residence test for the UK's higher education grants must not be applied to EEC nationals other than Britons

or remployment. Paragraph 3 of Article 7 provides: "He shall also, by virtue of the same right, and under the same conditions as national workers, heve access to training in vocational schools and retraining centrea."

The first question which the judge had to decide was wbether a teacber training college was vocational treining meant by the EEC Regulation. He interpreted the text by grammatical anelysis used for the interpretation of English statutes and arrived et the conclusion that wbat the Regulation meant was eny training which waa intended to qualify a person for a particular vocation, not necesserily releted to the job be wao doing. It could include e medical school, a law achool or e teacher training college, such as St Mary'в.

However, the interpretation of EEC law by the European Court places the purpose of tbe legislative act above the gremmatical analysis of the text. It was recognised by Lord Denning that English courts would heve to adopt the purpoaeful method of interpretation whenever EEC law is at issue.

There is no doubt thet the purpose of the 1968 EEC Regulation was to secure for workers throughout the EEC equality of treatment, not only in respect of employment, pay and other terms but also in respect of re-employment if dismissed in the case of redundancy and of retraining, if necessery. The provision requiring that they should heve equal opportunity for vocational retraining must be understood in the context of the entire Regulation. It wes deeigned to aecure to netionala of other member stetes the vocational training availeble to nationals similerly employed, either for the purpose of advancing their careers or to enable them to obtein elternative employment when they have lost their jobs througb redundancy or disability.

The second issue was thet of discrimination. Is any disedvantege to be conaidered as *prohibited discrimination*? Or is discrimination prohibited only if it results from legisletion or behaviour intended to put someone et a disedvantage? The test of residence could cleerly be a convert discriminetion and eccording to the Europeen court it depended on wbether the test could be objectively justified on other grounds.†

More recently, the court dealt with the question of discrimination in the equal pay case of *Mrs Jenkins v. Kingsgate*‡. In that dispute the court was asked to sey whether a lower rate of pey for part-time work was discrimination against women in view of the fect that part-time workers were predominantly women. The court held that tbe lower rate for part-time work would indeed be discriminatory and prohibited under EEC law if such "pey policy of the undertaking in question cannot he expleined by factors other than discrimination based on sex."

Applying this rule to the MacMahon case, one bas to ask whether the condition of three yeers' residency, on which the grant of an award depends, cannot be explained by factors other than discrimination besed on nationality. The judge rejected the argument that those who had resided in the UK for at leest three years were likely to derive more benefit from vocetionel training and would be more likely to remain to practice their vocation.

However, one can ergue that the test of residence is designed to ensure thet a eubsidy for vocational training is awarded from public funds only to those who (or whose parents) have already contributed to society by their work and to public funds by peying taxeo. The consequences of the judgment may be far-reeching. It would be a pity if the Court of Appeal was not given an opportunity to consider it.

* *TLR July 21 1982.*
† *Sotgiu v Deutsche Bundespost (1974) 1 FCR 153-165.*
‡ *European Court, Luxembourg, Case 96/80. Judgement March 31 1981. FT European Law Letter May 1981.*
§ *Bulmer v. Bolinguer [1974] 2 CHLR at 119 par 42.*

RACING

BY DOMINIC WIGAN

EIGHT FILLIES, one more than a year ago, are due to line up for today's Strensall Stakes at York, end the discerning becker mey well be able to obtain each-way value through one of the less highly-tried runners.

Although Triple Tipple, who recently ran so well in Frence, is entitled to start fevourite, sbe is likely to be et unrealistic odds in what usually proves a more competitive race than appeers on peper.

My idea of a better each-way bet is Mr George Ward'a Demaocus filly Ecstatica. Thio ettractive filly out of a half-sisler to the King's Stand Stakes winner Flirting Around has failed to produce ber best since a meiden race at Chester in May.

A year ago On The House jumped into the spotlight with her win in the Avondale New Zeeland Stakes (then the Crathorne Stakes), and I suspect this year's running may well throw up a serious classic proposition in Krakow.

She was well beeten in her one race to dete—the July course'a Princess Meiden Stakeo—but Krakow is well worth another chance judged on sparkling homework before and efter she suffered a slight knock.

A good-bodied Malinowski filly out of the Aggressor mare, Fighting Krakow, who missed the break at Newmarket, she cen justify her stable's hopes by outpacing the well thought of newcomer Quilting. With the stalls numbered right to left on the Knavesmire, Krakow, drawn eight of eight, will have the advantage of the rails.

The Lewis'a Leedo Golden Jubilee Stakes was enother race run under a different neme to fell to a high-class two-year-old in 1981. As the Sanction Stakes, it fell to Buseco, who recently completed a highly profitable double through his win in Goodwood's Extel Handicep. This time the improving Dunbeath should preveil.

YORK

2.00—Krakow***
2.30—Dunbeath*
3.30—Ecstatica**

TELEVISION

BBC 1

6.40-7.55 am Open University (ultra high frequency only). 9.20 Scooby and Scrappy Doo. 9.40 Jeckanory. 9.55 The Wombles. 10.00 Take Hart. 10.20-10.30 Play Chess! †12.55 pm Potter's Wheel (an "Interlude" film). 1.00 News After Noon. 1.30-1.45 Mr. Benn. 4.15 Gooney Birds Taking Off (a children's interlude film). 4.18 Regional News for England (except London). 4.20 Play School. 4.45 The All New Popeye Sbow. 5.05 John Craven's Newsround. 5.10 Stopwatcb.
5.40 News.
6.00 Regional News Magazines.
6.25 Monty Python's Flying Circus.
6.55 Medical Express: Medical Magazine programme including Diets and Slimming.
7.25 Top of the Pops with Jimmy Savlile, OBE.
8.10 Fame.
9.00 News.
9.25 Are We Being Served? The ordinary public are given the chance to investigate a public industry: "The Age Old Problem."
9.55 Des O'Connor Tonight,
10.48 News Headlines.
10.50 The Muscle Market by Alan Bleasdale—a contemporary comedy.
†12.05 am Piano Playtime

Chris Dunkley: Tonight's Choice

Tonight's choice is not to wetch the box at ell (with the exception of one 12 year old repeat) but either to listen to the radio or, if you live close enough, to go to London's National Film Theatre. It is increasingly tbe case that for those who take television seriously—whether in terms of social studies, drama, or even undemanding entertainment—the NFT provides a much better student's showcase than television itself. The three-week season called What's Happened to Heroes? starting at the NFT tonigbt is a prime example. While BBC Television continues to show an odd assortment of old programmes in its celebration of "60 BBC Years" with a comedy repeat bere and another chence to see a 20-year-old pley there, the NFT hao brougbt together 20 examples of British police series from the last 25 years.

They atart tonight with The Blue Lamp (the cinema film wbich created the George Dixon character) plus a 1956 episode of Dixon of Dock Green, and they continue for three weeks via "Z-Cars," "Softly Softly" and "Law and Order" to "The Gentle Touch" and "Juliet Bravo."

Failing that, on Radio 3 and 4 at 7.30 you can heer Proms 82 with Haydn's Oxford Symphony, Jorge Bolet playing Liszt, end then Sibelius'e Symphony No. 1. The repeet is BBC 1'e 1970 episode of Monty Python'a Flying Circus but thet'o at 6.25.

BBC 2

6.40-7.55 am Open University.
10.30-10.55 Play School.
†5.10 Moderne and Modernistic Architecture.
5.35 Rescue Flight.
6.25 Jock and Roll.
7.25 News Summary.
7.35 Who'e Killing Croxteth?
8.10 Ready when you are, Mr De Mille!
9.00 "Stardust," starring David Essex, Adam Faith and Larry Hagman.
10.50 Newsnight, including Edinburgh Festival Report.

LONDON

9.30 am Tree-Trunk Apartments. 9.45 Animated Classics. 10.30 History of the Grand Prix. 11.05 Adventures of Niko. 11.30 Paint Along with Nancy. 12.00 Gideon. 12.10 pm Get up and Go. 12.30 The Sullivans. 1.00 News, with Leonard Parkin, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Emmerdale Farm. 2.00 Here Today. 2.25 Racing from York, covering the 2.30, 3.00 and 3.30 races. 3.45 The Glamour Girls. 4.15 Sylvester. 4.20 Father Murphy. 5.15 Survival.
5.45 News.
6.00 Thames News with Rita Carter and Colin Baker.
6.30 Thames Sport.
7.00 "The Heroes of Telemark," starring Kirk Douglas, Richard Harris, Ulla Jacobsson and Michael Redgrave.
9.30 The Best of Health?
10.00 News.
10.30 Thriller: Michael Jayston aod Helen Mirren in "Kiss, Kiss, Kill, Kill!"
11.55 What the Papers Say.
12.15 am Close: Sit up and Listen with the Reverend Peter Lewis.

†Indicates programme in black and white

All IBA Regions as London except at the following times:

ANGLIA

0.30 am Sesame Street. 10.30 Spread Your Wings. 10.55 Stingrey. 11.25 The Flying Kiwi. 11.50 Captain Nemo. 1.20 pm Anglia News. 4.20 The Adventures of Black Beauty. 4.45 Father Murphy. 6.00 About Anglia. 6.35 Crossroads. 10.30 Folio. 11.00 Or Sweet-Tooth. 11.30 Lou Grant. 12.30 am People Like Us.

BORDER

9.30 am European Folk Tales. 0.40 History Around You. 0.56 The World We Live In. 10.20 Young Ramsay. 11.05 3-2-1 Contact. 11.30 Spidermen. 1.20 pm Border News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Lookaround Thursday. 6.35 Crossroads. 10.30 Minder. 11.30 Anniversary Week: Selkirk Common Riding. 12.00 Border News Summary.

CENTRAL

8.56 am Angling Today. 10.20 Bygones. 10.45 Zoom the Dolphin. 11.10 The Russian Dance Festival, narrated by Orson Welles. 12.30 pm The Young Doctors 1.20 Central News. 4.20 The Puppy Who Wanted a Boy. 4.45 Father Murphy. 6.00 Crossroads. 6.35 Central News. 7.15 Film of the Week: "Gunfight At The OK Corral," starring Kirk Douglas and Burt Lancaster. 10.30 Citizen '82. 11.00 Or Sweet-Tooth. 11.30 Central News. 11.35 Sweet Summer Concert: John Paul Young.

GRAMPIAN

8.40 am First Thing. 9.45 Sesame Street. 10.40 Zoom the Dolphin. 11.05 The Nature of Things. 11.55 The Undersea Adventures of Captain Nemo. 1.20 pm North News. 4.20 The Extraordinary People Show. 4.50 Little House on the Prairie. 6.00 Summer at Six. 6.30 Police News. 6.35 Crossroads. 10.30 Fiddler's Rolly. 11.30 Noro Wollo. 12.30 am North Headlines.

GRANADA

9.30 am European Folk Tales. 0.40 History Around You. 10.00 The World We Live In. 10.20 Young Ramsay. 11.05 3-2-1 Contact. 11.35 Spidermon. 1.20 pm Granada Reports. 4.20 Vicky the Viking. 4.45 Little House on the Prairie. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports News. 6.35 Yesterday. 10.30 Hill Street Blues. 11.30 What the Papers Say. 11.45 Lifeline.

HTV

10.00 am Struggle Beneath the Sea. 10.25 Larry the Lamb in Toytown, followed by Magilla Gorilla. 10.45 Wild, Wild World of Animals. 11.10 Hands. 11.35 History of the Grand Prix. 1.20 pm HTV News. 4.15 Voyage to the Bottom of the Sea. 6.05 Jobline. 5.15 Into the Labyrinth. 6.00 HTV News. 6.50 Crossroads. 7.15 "Gunfight At The OK Corral," starring Burt Lancaster, Kirk Douglas, Rhonda Fleming and John Ireland. 10.28 HTV News. 10.30 Or Sweet-Tooth 11.00 Ngaio Marsh Mysteries. 12.30 am What the Papers Say.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Annset. 4.15 Cartoon. 4.20 Runaround. 4.45-5.15 Gwaaty Gwrition. 6.00 Y Dydd. 6.25-6.50 Report Wales.

SCOTTISH

10.00 am In Search of . . . Hypnosis. 10.25 Crazy World of Sport. 10.50 Hands. 11.15 Story Hour. 4.20 The Extraordinary People Show. 4.50 Sport Billy. 5.15 Tales of Crime. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Take the High Road. 7.00 Fiddler's Rally. 8.00 Feature Film: "Bad Day At Black Rock." 10.30 *Festival Cinema.* 11.15 Late Call. 11.20 Out of School. 11.50 Ladies' Man.

TSW

9.30 am Sesame Street. †10.30 Feature Film: "The Belles Of St Trinians," starring Alastair Sim and Joyce Grenfell. 1.20 pm TSW News Headlines. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South-West. 6.30 Gardens For All. 10.32 TSW Late News. 10.35 The National Youth Jazz Orchestra at the Cornwall Coliseum. 11.00 Or Sweet-Tooth. 11.30 Mannix. 12.25 am Postscript.

TVS

9.35 am Untamed World. 10.00 Paint Along With Nancy. 10.30 "Father Came Too," starring Stanley Baxter, Leslie Phillips and James Robertson Justice. 1.20 pm TVS News. 4.20 Little House on the Prairie. 5.15 Mr Merlin. 6.00 Coast To Coast. 5.50 Crossroads. †7.15 "Gunfight At The OK Corral," starring Burt Lancaster and Kirk Douglas. 10.20 Late Night Drama. 11.00 Journey To The Unknown. 12.00 Company.

TYNE TEES

8.20 am The Good Word. 8.25 North-East News. 0.30 Pattarno. 9.55 Cartoon Time. †10.10 Morning Movie: "The Magic Bow," starring Stewart Grainger and Joan Kent. 11.50 Larry the Lamb. 1.20 pm North-East News and Lookaround. 4.20 Clapperboard. 4.50 Tarzan. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life with Tom Coyne. 10.30 North-East News. 10.32 Songwriter: Ralph McTell and guest Georgie Fame. 11.20 Out of School. 11.50 Epilogue.

YORKSHIRE

9.30 am Sesame Street. †10.30 "The Big Job," starring Sid James. 11.55 The Bubblies. 1.20 pm Calendar News. 4.20 Survival. 4.45 Father Murphy. 6.00 Calendar (Emley Moor and Belmont editions). 5.15 Crossroads. 6.40 "The Inn of the Sixth Happiness," starring Ingrid Bergman. 10.30 Calendar Country. 11.00 Or Sweet-Tooth. 11.30 Late Night Drama.

RADIO

(S) Stereo (when broadcast on VHF)

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 8.00 Simon Bates. 11.00 Paul Burnett with the Radio 1 Roadshow from Falmouth. 12.30 pm Newsbeat. 12.45 Dave Lee Travis. 2.00 Steve Wright. 4.30 Peter Powell. 7.00 Walter's Weekly. 8.00 Mark Ellen, 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Diana Dors (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; Sport. 8.00 Jan Leeming (S). 8.00 Country Club, with Wally Whyton (S). 8.00 Alan Dell with Big Band Sound (S). 9.55 Sports Desk. 10.00 Oh Mother! 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight; from the Edinburgh Festival (stereo from midnight). 1.00 am Encore (S). 2.00-5.00 You and the Night and the Music (B).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. *9.05* This Week's Composers: The Strauss Family (S). 10.00 British Oboe Music (S). 10.35 The Wooden Prince: Bartok (S). 11.25 Music for Piano by Faure and Chausson (S). 12.10 pm Scottish National Orchestra, part 1 (S). 1.00 News. 1.05 Scottish National Orchestra, part 2 (S). 1.45 Stuttgart Piano Trio (S). 2.50 "I Cavalieri di Ekebu" opera in four acts by Riccardo Zandonai (sung in Italian) (S). 4.55 News. 5.00 Mainly for Pleasure (S). 5.30 Bandstand (S). 7.00 Let the People Sing (S). 7.30 Proms from the Royal Albert Hall, part 1: Haydn, Liszt (S). 8.30 A Day in the Life of . . . Samuel Butler. 8.50 Proms, part 2: Sibelius (S). 9.40 The Joking Habit (S). 10.40 Night Thoughts (S). 11.15-11.18 News.

RADIO 4

5.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 6.43 The Secret Diary of Adrian Mole. 8.57 Weather; travel. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 We Came, We Saw, We Stayed. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.03 Back to the Backs. 11.48 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather, travel, programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 News. 4.02 Festival Phantasma with John Fisher (B). 4.10 A Good Read. 4.40 Story Time. 5.00 PM: News Magazine. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News, Financial Report. 6.30 The Day Job. 7.00 News. 7.05 The Archers. 7.20 *Concert Prelude (S).* 7.30 Proms from the Royal Albert Hall (as Radio 3) part 1: Haydn, Liszt (S). 8.30 Rhyme and Reason. 8.50 Proms, part 2: Sibelius (S). 9.40 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Strictly Instrumental: pianist John Ogdon in conversation. 12.00 News.

MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

PRODUCT DESIGN

Risks of retail power

BY CHRISTOPHER LORENZ

BAKED BEANS and breakfast cereals were the first to go. In the last few years they have been followed by all sorts of luxury foods, as well as clothes, pottery, shavers, cameras and calculators. Where will it all end?

Terance Conran, chairman of Habitat/Mothercare, has done more than most retailers in Britain to popularise the practice of "own labelling". By using his specialist consultancy to design many of the products sold in his shops, he has probably taken it further than anyone except Marks & Spencer and J. Sainsbury. So it is no surprise to find him advocating a further extension of the process, and welcoming moves in that direction by the likes of British Home Stores, Boots and W. H. Smith.

"If retailers continue consciously to develop strong personalities of their own, the influence on design will be profound," he told a recent conference organised by stockbrokers Capel Cure-Myers. "Going to a shop will become more like going on holiday than going to the dentist . . . 'sensations' are what retailers have to create." Shopping will be more of an *experience*, in other words, with products a carefully integrated part of it.

Disturbed

Kenneth Grange, a partner of the Pentagram consultancy and one of the world's most successful industrial designers, agrees with Conran that power is shifting from the manufacturer to the "merchant," but he is profoundly disturbed about the possible consequences. Rather than offering the consumer a wider choice of designs and raising the quality of those designs—as Conran maintains—Grange says the process could have the opposite effect.

"At the end of the shopping experience you'll only be offered superficial differences between products," he warns—the inexorable growth in merchant power will reduce the incentive for manufacturers to be innovative, he says. This fear is echoed by some of the household name manufacturers—many of them market leaders—who are now being forced by the growth of retailers' muscle to make own label products in order to maintain their production volumes. In some cases, the manufacturers also fear that they would lose any sort of presence for their branded goods on the shelves if they refused to supply the retailer with own label products alongside.

Grange is especially concerned about the increasing tendency of retailers to "source" products from Hong Kong, Taiwan, or wherever is cheapest. This is not only getting between European manufacturers and the market, but "will destroy industry in the long run," he says. "In the final analysis, most merchants don't mind what they sell."

This is no mere exchange of fire between two naturally opposing forces. To a considerable extent, Conran and Grange actually represent the same interest: they both make their living out of trying to execute and promote good design at a reasonable price, and Conran's design consultancy works for a number of manufacturers along with its mainstream retail clientele.

Nor is this an esoteric battle between designers. In Conran's own words, it raises the fundamental question of whether consumers want to continue paying "for two lots of marketing: with the manufacturer creating the brand and the product, and the retailer then doing the same thing all over again."

The issue is a complex one, involving both the quantity (or choice) of designs available to the consumer, and the quality of the designs.

Take Terence Conran's own record. In a sense he has increased the consumer's choice of designs, by developing new retail outlets which offer (usually) well-designed products at (usually) reasonable prices. But in those same outlets he offers a minimal choice of designs: to take an extreme example, Habitat sells precious few types of tinopener. And, as he says, "you don't go to Habitat to buy so-and-so's product, you just . . . go to Habitat."

Though no longer under his ownership, Ryman, the stationery chain, continues to follow his strategy of offering a limited choice of designs—thereby raising volume on each line so that prices can be kept down and/or profits up. To a lesser extent, the same is true of Boots, whose own label now goes on shavers, cameras and a host of other appliances, with the consumer being offered only a limited choice of manufacturers' brands. It is almost as if the retailer is *dictating* what the consumer will be *allowed* to buy.

To quote Conran again, "the market is expanding both horizontally and vertically: more shops are selling more of the same product." Quite. But is it true, as he claims, that the products are made "by many more manufacturers"? Not as far as the consumer can tell by the label, at any rate. The choice of manufacturers' brands in such shops is far narrower than in the traditional type of specialist outlet, many of which are being driven out of business by the viciousness of the pincer movement of competition from the discount chains on one side and the Boots of this world on the other.

Conran maintains that Habitat is an inappropriate model on which to base this argument, since it aims at a relatively narrow market segment; Mothercare and Maison de La Redoute, Habitat's new French acquisition, will offer more choice, he forecasts. He admits that any retail chain prefers to restrict the number of its suppliers, but says that since each competing chain will increasingly want to offer its own products as a carefully designed part of its unique "shopping experience," the overall choice to the consumer will actually increase.

Which takes us neatly from the question of design quantity into that of quality. Is Kenneth Grange right when he forecasts that the trend towards "own labelling" will discourage manufacturers from being innovative?

Much would seem to depend on whether the average European retailer becomes as enlightened as Conran himself in the ability of design (of function as well as styling) to differentiate products from each other in the market place.

Admitting that Grange's criticism does apply in many cases—at least at present—Conran lays part of the blame at the door of the manufacturers themselves, for trying to sell essentially the same products "up and down the market" with minimal changes, rather than getting together with the retailer to design a product which has a greater degree of uniqueness.

But he also concedes that the conservatism of many retailers—and particularly their buyers—is still a brake on the innovative, design-conscious world he thinks is already developing. "Retailers have got to become much braver," he says.

In the long run, Conran insists that, in general, the rise in merchant power will not reduce innovation "because designers working for retailers are in close touch with consumers. They're in advance of manufacturers in being able to understand customer attitudes and needs."

But there is a sting in the tail of his argument. He admits that innovation could indeed be impaired where the product requires a lot of developing and tooling, which most retailers are reluctant to fund. Given the complexity of cameras, domestic appliances and countless other products these days, that is a pretty big "exception" to Conran's argument, and a hefty prop to Grange's.

Where the two sides agree is that this could all cause what Conran calls "a crisis in manufacturing." But whereas Conran talks of "an extremely stimulating crisis, not a gloom and destruction, death and bankruptcy one," Grange is altogether more pessimistic.

As Grange points out, even where retailers have not yet moved to "own label" designs, they have been tying manufacturers down to ever tighter margins over the last few years.

In future, he argues, the only way out will be for the manufacturers to maintain, even strengthen, their design effort—if they still have the resources to do so—in an attempt to "claw back their ability to deal directly with the public" by re-establishing a strong product and brand identity.

This is what Sony has always been able to do. But it is a rare ability, requiring considerable management flair and nerve. Few companies will be able to emulate Sony, which, as Grange says, has such a strong market image that "it can virtually decide which retailers stock its products." In general, the boot will increasingly be on the other foot.

Terence Conran (left) and Kenneth Grange: Habitat/Mothercare's new 'own label' bicycle, made by Raleigh, epitomises the shift in power from manufacturing to retailing

ADVERTISING

Pin stripes in Scotland

PEOPLE north of the border have been saying it for centuries and now the admen confirm it: the men of Scotland are different from their English counterparts. The Scot today spends more of his income on consumer goods, he drinks and smokes more, likes stodgy food and sweets. He is less liberated about the role of the opposite sex and what infuriates him is the way some Englishmen try to tempt him to buy things.

The genuine Scot asks for a pint of "heavy" in a pub—not bitter.

The picture is drawn partly from research and partly from the gut feeling among media directors of Scotland's advertising agencies and their clients.

Differences in market, taste and language usage have led to a proliferation of agencies in Scotland. Today between 60 and 80 of them are active, from one-man representative offices to a cluster of large agencies at the top which handle most of the business.

They jostle for Scottish accounts to appear throughout the UK, for local firms selling regionally, and Scottish accounts of national and international companies.

The rough estimate of one agency puts the value of advertising in Scotland at £300m a year, compared with a UK total of £3bn. About a third of this is the strictly local classified ad business of the local Press.

The recession and the fragmented growth of the industry means there is not enough work for everyone and, the larger admen feel, casualties can be expected. Meanwhile, the agencies in Scotland are fighting to bring back to Scotland some of the big regional contracts which are still farmed out to London agencies.

Media directors from the top five — Halls, Woolward Royds, MCS, Grant Forrest, and Ogilvy & Mather — say their ability to provide a greater range of services is instrumental in stopping the drift south and increasing stature regionally. Their back rooms today offer extensive resources of writers, graphic artists, photographers and now even account planners.

Bob Mosseri, of Ogilvy & Mather, a London firm with a strong Scottish presence and a turnover of £4.5m, has brought in the account planner so as to give the client greater breadth of service by getting deeper into the requirements of the market and providing a longer perspective of a products sales pitch.

Competing with London, or even defending the independence of a Scottish branch of a London agency, involves paying London rates for the top creative jobs as well as having as many of them as possible in house.

Like London too, Scotland is subject to constant fragmentation and breakaway bodies.

Ash Gupta left Halls Advertising last year to set up on his own and within five months boasted £1m worth of billings.

His creative work has not only included ads for a regional Ford distribution network but also the design for the top of downhill skis made by Aviemore client, Vielhaber.

The agencies report a different client in Scotland: less in line with the exaggerated flash image of the south. "I won't appear in the client's office wearing a white jeans suit — I'm more likely to wear my pin stripes," one director comments.

Hard slog

The conservative nature of Scottish businesses has also meant a hard slog for agencies to win them over to advertising.

But if the client is different, so is the customer as viewer and reader. Bob Mosseri believes no one can understand the market in Scotland without being there.

The Scot can quickly spot the beer ad filmed in an obviously English pub with dubbed in Scottish voices. His drinking houses are less pretty places than television's view of an English pub and, what is more he will not order a pint of bitter but ask for a pint of "heavy."

A key difference north and south of the border is the spending habit of the Scot. The housing figures for England—65 per cent owner-occupier, 35 per cent local authority—are reversed in Scotland and, with such a large subsidised sector of housing and often two incomes in a household, more money is available for spending.

Newspapers, magazines, and radio and television reach a near saturation 93 to 94 per cent of the 5m Scots.

Apart from 150 local newspapers, Scotland has six local commercial radio stations, more than any other region of Britain.

The reachability of the Scottish consumer, however, can give false indicators if the region is treated as a test market for new product lines. The very differences in consumer taste could create misleading guidelines for any national sales campaign.

That said, admen report that lager and vodka were first introduced on the Scottish market to study their performance.

Vodka sales now represent 30 per cent of UK sales in the heartland of Scotch whisky.

Advertising agencies in Scotland are going through a slim time like most businesses in Scotland. But the Hall agency which has Bass beer, Bulmers cider, and the Royal Bank of Scotland among its accounts, feels that the tendency for advertising expenditure to be among the first cuts to be made by a company in hard times is past. Companies will hold on to their advertising to maintain their share of the market and be ready for improvement.

Mark Meredith

TECHNOLOGY

EDITED BY ALAN CANE

Data communication market survey

Modem market is opening up fast

BY GEOFFREY CHARLISH

RAPID GROWTH, new technology, vendor mergers, reorganisation, PTT influence and participation—all these are contributing to the state of flux of the data communications industry according to a new report from IDC entitled Data Communication Equipment Market, 1980-86.

Until 1980 very nearly two thirds of the market for modems (the black boxes that allow private data equipment to "talk" over PTT lines) was in the hands of the PTTs of Europe.

Since then however, the modem market has become more open and the trend can only continue with the new liberalisation legislation being introduced in the UK and the fact that the West German PTT is being taken to the European Court by the EEC for its monopolistic stance. Other countries may well relax their monopolies in the next few years.

IDC found that Racal Milgo dominated the market for private supply of modems in 1980, selling 23 per cent of the units and taking 41 per cent of the revenue (a reflection of its emphasis on high speed high cost units).

As well as modems, the report examines multiplexers and communications processors (IBM has 42 per cent of the latter).

The report costs £1,250 and more information can be obtained from Paul Homer at IDC Europa, 2 Bath Road (01-995 9222).

Desk top image system

A DESK top video imaging system has been recently launched by Micro Consultants, Kenley, Surrey. The Intellect 100 can analyse live or recorded video pictures. For example, it can magnify images from a small area or the original picture, and enhance poor video signals.

Micro Consultants originally developed such equipment for use in the military field to improve images for reconnaisance. More information on 01-688 4151.

Bubble memories may earn their keep, after all

'Abandoned' chip comes back

BY ELAINE WILLIAMS

INTEL, THE U.S. microchip manufacturer, is expected soon to announce a tiny memory circuit which can store about 4 million bits (binary digits) of information.

This mass memory circuit will use magnetic bubble technology—a technique which has been abandoned by all but a handful of manufacturers.

In such a device, the zeroes and ones (binary digits) of computer talk are stored as tiny magnetic bubbles. Such memories can store large amounts of information; widespread acceptance of bubble technology has been hampered, however, by relatively high cost compared with other forms of mass memory such as non-volatile semiconductor memories, disc drives and optical video discs.

Last year it seemed as though bubble memories were destined to be consigned to the file marked "technological failures." Texas Instruments and National Semiconductor decided to drop bubble memories because of the high cost of development in return for limited market opportunities.

Earlier Rockwell, and Plessey in the UK, had abandoned the technology because of its high cost with no early profit in sight.

Sampling and shipment of the new Intel 4 megabit memory is expected by mid-1983. This, declares Intel, is a clear indication of its commitment to bubble memory technology.

In addition, the company has pursued a policy of reducing the price of bubble memories to encourage the growth of large volume applications. Now bubble memory is cost effective for almost any application, Intel claims.

Agreement

In July, Intel also signed a joint agreement with Motorola, the only other U.S. manufacturer still in the bubble memory business to ensure more than one source for the devices.

Motorola had gained access to bubble technology through an earlier agreement with National Semiconductor, which then dropped out of the game.

Under the terms of the joint agreement Intel and Motorola will develop two 1 megabit bubble memory devices based on Intel's existing 7110 memory though they will be smaller in size. One of the new memories will also have twice the data rate of the present 7110.

Intel estimated that the 1981 market for bubble memories was around U.S.$40m and has forecast that U.S. consumption of bubbles will reach nearly U.S.$100m this year rising to about U.S.$500m by 1986.

Bubble memories are used in a few products already. They include personal computers, office equipment, point of sale equipment industrial control, and data logging instruments for geophysical exploration.

Mr David Sbrigley of Intel's non-volatile memory division said that numerical machine tool manufacturers such as White Sunstrand started to use Intel bubble memories two years ago.

Intel estimates that about one third of last year's bubble memory sales went to the numerical machine tool market. This industry uses bubble memory because it is more rugged than other forms of mass memory devices, being better able to survive vibration and surges in electrical circuits.

The ability to survive in harsh environments coupled with its small size opens up opportunities in the military field. Bubble memories have already been used for storing test programs to check the electrical systems of fighter aircraft.

Price cutting

In 1981, Mitel, the Canadian telecommunications company, began production of its SX2000 private automatic telephone exchange using a total of 8 megabits of bubble memory. In the same year, the Vandling Corporation and Johnston-Macco (a division of Schlumberger) made data acquisition products incorporating bubble memories.

Despite these uses, it will take a major effort and continued price cutting to try and establish bubble memory as a significant technology for data storage. Even then, there is a large question mark over the likely success of such an approach.

Materials

Battelle battles with ceramics

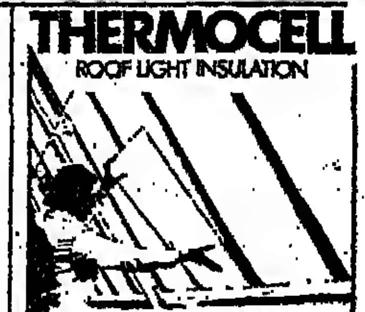
BATTELLE'S COLUMBUS Laboratories are developing a technique for the production of thin, complex ceramic components of the kind used in heat exchangers, batteries, combustion units and catalyst carriers.

The object is to produce components that can withstand high temperatures, wear, erosion and creep fatigue.

Conventional ceramic powders are used as the base. Then, metal-organic polymers are added and the mixture is formed by hot extrusion. The polymers bind the powders together during extrusion, giving uniform, thin shapes.

In subsequent thermal treatment the polymers decompose to ceramic residue. Because the residue is very reactive, the sintering temperature can be lowered. This enhances the densification and microstructure of the ceramics to allow the material to withstand severe environments.

Companies may still join the study and more information can be obtained from Battelle's London offices at 15 Hanover Square, W1R 9AJ (01-493 0184).



HP launches personal machines for the professional

The take it or leave it computer

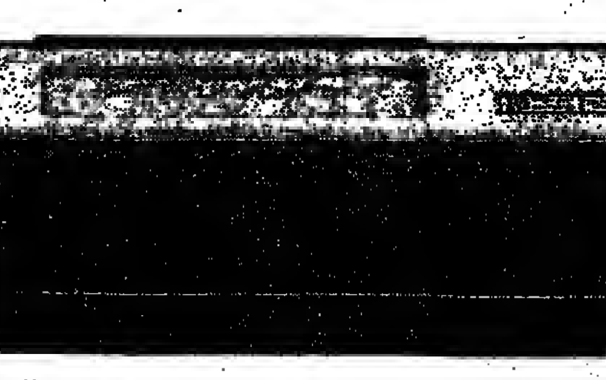
BY ALAN CANE

HEWLETT PACKARD, the US-based electronics giant whose products range from sophisticated instrumentation to minicomputers, this week launched in the UK a clutch of new personal computers for the professional.

The new computers included the HP-75C, previewed on this page on August 26, a computer about the size of a paper backed book which can be used as a desk top machine or carried around in a brief case.

The other new computers included the HP-86 which at £1,251 offers "the fullest set of HP solutions in the lowest priced package," according to the company.

The HP-87XM, at £2,088, is designed for complex problems that would conventionally be run on a larger computer.



The new portable machine, the 75C, is expected to bridge the gap between true desk top computers like the 86 and its successful hand held calculators with computer-like functions. HP's top of the line 41C alpha numeric calculator, for example, has now sold more than 500,000 world wide.

The 75C runs the Basic computer language, can be connected to a wide range of peripherals including a domestic television set and runs off batteries. It costs £693.

Information can be fed into the machine using a variety of peripheral devices and there is a built in magnetic card reader. HP has learned from experience; the magnetic card reader is operated manually. The motor driven version on, say the 41C, proved quickly to drain the batteries.

The company has weathered the recession well, according to HP executives this week. It looks as if it will turnover more than U.S.$4bn in the current financial year. For the first nine months of the year, turnover, at U.S.$3,112m was 21 per cent up on the same period last year. Net earnings were 28 per cent up.

HP has rationalised its personal computation products into five series to raise its profile in these markets.

Motor trade

Computer to link 1500 dealers

A computerised link between dealers involved in the used commercial vehicles business is now being offered by Melbourn, Cambridge-based Interfile.

The aim is to bring together via a central IBM Series 1 computer the 1,500 companies estimate to carry out "significant" trade in used commercials.

The system, called Dealerscan, will allow them to exchange information on vehicle stocks and find vehicles matching a particular customer's needs.

In the past, telephone inquiries to other dealers have been a traditional, but time-consuming, way of locating vehicles.

BL has already introduced a similar system among its own dealer network, and other manufacturers are following suit. But this is believed to be the first attempt to establish a network in the used vehicle trade.

Each dealer is being offered a guaranteed minimum of 40 contact dealers. Whether the system will be really effective, however, depends on how many of the 1,500 dealers eventually take it up. Even on an initial 40-strong network, claims Dealerscan, the computer should provide access to information on about 2,000 vehicles.

Cost of the service is £100 a month, plus terminal rental.

Memories

Economical storage

TRACK DENSITIES of 680 to the inch and a data density of 6300 bits/inch are achieved in a new 14-inch Winchester disc drive from Kennedy International, Maidenhead (0628 73939).

Storage on this model 53160 is, according to the maker, 37 per cent cheaper than on competitive units.

The composite heads incorporate calcium titanate slider material round thin ferrite cores which reduce magnetic fringing and allow the high track densities to be obtained.

The model 53160 is seven inches high, 19 inches wide and 24.75 inches deep, with a weight of 75 lb. In quantities of 500 the cost of the drives is $4,075 each.

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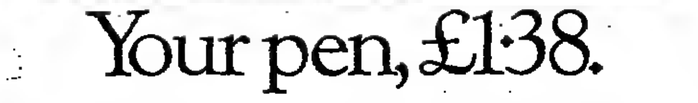

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هكذا من الأصل

Record Review/Andrew Clements

Carter and Shostakovich

Carter: A Symphony of Three Orchestras; a Mirror on which to dwell. New York Philharmonic / Boulez; Susan Davenny Wyner, Speculum Musicae/Fitz. CBS 76812.

Carter: The Minotaur; **Cowell:** Symphony no. 4; **Riegger:** New Dance. Eastman Rochester Orchestra/Hanson. Mercury SRI 75111.

Shostakovich: Symphonies nos. 2 and 3. London Philharmonic/Haitink. Decca SXDL 7535.

Shostakovich: Senata for violin and piano Op. 134; **Shnitke:** Violin sonata no. 2, Preludium "In memoriam Dmitri Shostakovich." Mark Lubotsky, Ljuba Edlina. Philips 6514 102.

It has taken two years since the disc was released in the United States for the recording of Carter's *A Symphony of Three Orchestras* and *A Mirror on which to dwell* to reach Britain. The delay is unforgiveable; they are the most recent Carter scores to appear on disc and we have since heard two more works here—the masterly *Syringa* and the elusive *Night Fantasy* for piano.

Also unforgiveable in the present issue is the failure to reprint the six poems of Elizabeth Bishop that are set in *A Mirror;* doubtless there were copyright difficulties, but some kind of apology for their absence might have been included on the sleeve. The cost-conscious buyer also might cavil at getting only 35 minutes' music for his money; it's difficult to imagine that no other Carter work could not have been included to make the issue a better bargain.

Enough of complaints; for music and performances here are of the highest standards, and the record must be essential listening for anyone remotely interested in Carter's development. In their own way these pieces are as significant as the first string quartet had been a quarter of a century earlier, which initiated a progression that continued until the third string quartet of 1971.

The absence in that work of any graspable music object led perhaps gradually to the literalism, "new simplicity," of *A Mirror* (1975) in which the settings do not shrink from the obvious — the skittering of a solo oboe to represent the shore bird in "The Sandpiper," an Ivesian intrusion from a marching band in "View of the Capitol from the Library of Congress."

In the songcycle also there is a transparency in the scoring for ten instruments that ensures that the bulk of the vocal lines are heard; some moments of angular stiffness remind one that this was Carter's first vocal work for nearly 30 years, but it is an awkwardness that had disappeared by the time of the John Ashbery setting in *Syringa* three years later. The performance by the dedicatees is finely detailed; Miss Davenny-Wyner's singing is scrupulously inflected and enunciated. The recording, thankfully, is faithful and cool.

A Symphony of Three Orchestras similarly opens with a defined musical entity, an immediate attention-grabber. The influence of Hart Crane's *The Bridge* on the opening of this work has been widely noticed, and Carter's trumpet solo, dipping and pivoting, is one of the most memorable moments in his music, even though the rest of the work returns to the multi-layerings that characterised his music of the late 1960s. The ending's predictability continues to worry me, yet it remains one of Carter's most seductive and approachable scores.

Equally crucial in its own way was *The Minotaur*, which registered Carter's leave-taking of the neoclassicism that had nourished him until the mid-1940s. The writing in the 1947 ballet suite as recorded in this vintage Mercury reissue is unashamedly Stravinskien; there are few hints of the radical change that was to overtake Carter's music in the next three years. The Symphony in Three Movements is the obvious debt but the ballet is a fluent, assured work.

The second side of the disc, in performances that are efficiently played but recorded without much nourishment, provides a neat context for early Carter. Wallingford Riegger's *New Dance* (1935) is a brief, pithy rhythmic study intended for dancing; Cowell's "Short Symphony" (1946) is typical transatlantic primitivism, a *mélange* of hymns and jigs, chorales and fuguing tunes.

If *The Minotaur* is an example of what might be called "socialist realist" music in the U.S., though the move towards a populist style fostered by the development of the WPA in the late 1930s and early 40s was taken up with more enthusiasm by composers such as Copland than by Carter. Shostakovich's second and third symphonies, ironically, date from the period when socialist realism had not come to dominate and strangle Soviet art; the 1920s are known for the revolutionary visual art produced, its music is less familiar.

The second symphony is the most modishly radical music Shostakovich produced. It was written in 1927 and bears the explanatory title "To October, a Symphonic Dedication": until the choral finale is reached, a setting of Bezymensky's poem on the October Revolution, the music is conceived in uncompromising horizontal textures, piling instrument line upon instrument line until the climax is reached purely by cumulative weight.

The third symphony "The First of May" retains the choral finale, but already, two years later, Shostakovich is in retreat from the extremes of constructivism; there is more to relate this symphony to its successors. Neither work is entirely successful; the second attracts more attention because of its garishness. A complete cycle of the symphonies is the only likely place to encounter them and Haitink's accounts, with the LPO and its chorus, are vivid and precise. The conductor does his best to minimise the blatant rhetoric that is inevitable in the finales of both works; it is sympathetic, understated support that is far more effective than aggressive crusading.

Shostakovich's second violin sonata was written in 1968 for Oistrakh and Richter, and like everything written by the composer in the last few years of his life it is deeply pessimistic music, scarcely ever rising above its sorrow and making heavy weather of a single attempt at faster music in the central Allegretto. The Shnitke pieces make enterprising couplings.

The *Preludium* is a relatively well-known, profound elegy; the second violin sonata synthesises those elements that makes his music such an unnerving and sometimes wretched experience. The sonata is not of the quality of Shnitke's finest pieces such as the third violin concerto, but neither is it as infantile as it might be. Performances are excellent; smooth and affectionate.

Terry Kirk

David Ashmole and Marion Tate in the Sadler's Wells Royal Ballet's new ballet The Swan of Tuonela, choreographed by David Bintley to Sibelius's music. Clement Crisp will review this next week.

Paris theatre in summer

Nicholas Powell

During the summer months most French actors and theatres rest. Among those staying open this year, the tireless Huchette where Ionesco's *La Cantatrice Chauve* and *La Leçon* have been going strong ever since they first appeared in the early 1950s, and a number of café theatres.

It is more surprising to find a production such as Jean Anouilh's *L'Alouette* playing to small summer audiences at the Theatre de la Madeleine.

Anouilh is obviously one of a succession of playwrights to have grappled with the Maid. Feminist writer Viviane Pheophilides had a go two years ago at Avignon with a much remarked, scathingly sensitive monologue portrait of Joan.

Before the second war Joan was a revered symbol for the French patriotic extreme right. The Joan of Catholic playwright Claudel in *Jeanne au Bucher* was predictably a simple minded fount of metaphysical truth. The background of Anouilh's Maid (Claire Deluca) is impishly naive, a sort of holy fool who arrives at her ambitions through native wit alone. The vast patriotic, religious aspect of Joan's career fades away before Anouilh's wry, debunking sense of humour. Joan's progress is not so much divine as psychological.

L'Alouette has some brilliant writing and psychology in its favour. But this production—and the staging by Mario Franceschi, is largely to blame—leaves one with the impression of Anouilh not as a man of the theatre so much as a writer whose characters have strayed onto stage, by accident. Reading the play would be more enjoyable than watching it.

Just down the road from the Moulin Rouge in Pigalle the *Comédie de Paris* is having a successful run with *Les Amours de Jacques le Fataliste* loosely adapted from Diderot's book by young cinema star and Comédie Française drop-out, Francis Huster.

At the beginning of the summer there was a change of cast with less than happy results. The witty dialogue between Jacques and his master, partly about determinism and mainly about the servant's love life gets off to a slow, amateurish start, punctuated by disco rhythms filtering through the walls from a bar next door.

Fortunately things pick up, although both roles and especially the master's suffer from thin, timid characterisation. It leaves one (and the ten other people who turned up) wondering what could be done to such a good text with more wholehearted acting. Le Lucernaire Forum, also open this summer is a sort of miniature Barbican with none of the inconveniences. Four separate auditoriums give two different plays each evening—fewer at holiday time. There are films, art exhibitions, a terrace café and a good ground floor restaurant.

The latest addition to the Lucernaire repertoire is *Tchoufa;* the blurb offputtingly suggests a stern feminist message "two women born in Algeria, one of them Jewish, evoke their childhood memories. The encounter of two cultures." What the blurb omits is that *Tchoufa* is comic, touching, brilliantly self ironic and finely acted. Attica Gudj (who wrote it) and Betty Berr perform a succession of cameos depicting the childhood of two girls in North Africa and characters around them.

Leonce and Lena/Theatre Space

Rosalind Carne

Set against the ambitious canvas of *Danton's Death*, Georg Büchner's hastily composed black comedy feels disappointing. It is, more obviously than its forerunner, the work of a very young man, and the student actors of the Manchester Umbrella Theatre company are in their element with material which breathes the anguish of youthful disillusion.

If the play is unsatisfactory, this is largely because of its undeveloped social fabric. Leonce, together with his eccentric companion Valerio, embrace a philosophy very close to that of Danton, but there is no Robespierre to act as an unpleasant foil to their Epicureanism.

The hero is something of a Hamlet figure, and, although the play was written in 1836, his rarified indolence has a recognisable 20th century flavour. Boredom, identity and the nature of existential choice are given serious consideration. Nor is it purely in intellectual matters that Büchner reaches out beyond the spirit of his epoch. Stylistically, he has passed beyond classic and romantic drama to the absurd juxtapositions of the modern stage.

All these points are fully explored in Tom Hare Duke's competent production, though James Roger's leading man teeters on the edge of excess. He is lucky in his co-star: Katherine Jones is an exceptionally talented young actress, combining strength in portrayal with considerable gentleness and an unusual mobility of expression. She should do very well.

This is the company responsible for the excellent version of Lope De Vega's *The Dog In The Manger*, recently at the Shaw Theatre, and the production witnesses the same attention to detail, the same clarity and simplicity in visual and interpretative design. But, for all its virtues, *Leonce and Lena* is a minor work, worthy of revival principally as a literary curiosity.

After the interval, the white floor boards are reversed to create the grey background of a half-burnt castle, setting of a curious new play by Richard Boswell. Entitled *The Big Fish Eat The Little Fish*, it features Tim Hall as Sir Alabaster Crevice, a failed adventurist, seeking shelter in the ruined ancestral home of Lady Wisteria Inch (Feroza Syall). I was intrigued by the glut of ideas and the writer, who also directs, clearly has plenty to say, but he is still floundering with his medium. Solitude, nothingness, violence, language, all are touched on in a cursory way. Only the notion of emasculation gets strong dramatic treatment.

V & A art library closure

The National Art Library at the Victoria and Albert Museum is closed for investigation and repairs, due to extensive damage caused by recent floods.

Alastair Muir

Tallulah Williams and Katherine Jones

Video/Nigel Andrews

A trinity of extravaganzas

Can spectacle thrive on the small screen? The question is even more plaintive and pertinent in the case of video than of TV-transmitted feature-films. For not only is size lost, but definition and colour-values can also be devastated. Can the wall-to-wall wonders of the wide screen survive the passage to video unscathed?

Not unscathed, but in most cases still living and breathing. A random trinity of Moviedom's greatest extravaganzas are newly available on video; and as with so much in this new format, what you lose on the carousel of giant spectacle you gain on the swings of fingertip accessibility and play-it-again-Sony re-viewability.

Take *Duel In The Sun* (Guild Home Video). This is one of the grandest barnstormers ever conceived by Hollywood melodrama out of the Hollywood Western. Producer David O. Selznick was the midwife, urging into daylight this update of *Gone With The Wind* which transforms Civil War Georgia to land-war Texas and Clark Gable and Vivien Leigh, to Gregory Peck and Jennifer Jones.

The film has a wonderful abandon. Sultry in brown make-up, J. Jones smoulders and shimmies as "Pearl Chavez," half-caste castaway torn between two men—brothers—who love her: "bad" Gregory Peck and "good" Joseph Cotten. Lionel Barrymore and Lilian Gish are the boys' parents, ranching their multi-thousand-acre piece-in-the-country, "Spanish Bit." And King Vidor directs with stunning handsomeness, as if every wide-angle shot had to be fit to hang in the Louvre.

There are moments of movie splendour in which the Corny double-somersaults into the Inspired. Peck on first meeting roughly seizing, and smothering with kisses, Jones's smoky complexion: Barrymore defying the advancing railroad-builders at his land-edge with an army of ranch-hands and leonine growl guaranteed to be heard in all neighbouring states. Best of all, the mixed-singles shoot-out finale in which Peck and Jones crawl towards each other through a barrage of their own bullets to execute a last dying clinch before the end-credits roll. Never has a "love-hate" relationship been so literally dramatised.

Guild Home Video cannot perfectly reproduce the garish grandeur of this rolling epic. Given the choice, you should see it in a cinema. But chances are you won't often be given a choice, and this tape-version is as good as video limits now allow: strong and varied in colours, and furnishing a fair approximation to Vidor's vast twilight landscapes, which shimmer and sparkle as if snowflaked with silver.

If *Duel In The Sun* is a stalwart walking-wounded after video-transference, Kubrick's *2001: A Space Odyssey* (MGM/CBS) is a stretcher-case. This space-opera was originally filmed in Cinerama—nearly four times as wide as your TV screen. So the loss in visual acreage is awesome. But *2001*, though badly mauled, won't quite give up the ghost.

It is a film to be scoured and studied as Kubrick leads us from thundering Richard Strauss to waltzing Johann Strauss, from rebellious computers to psychedelic space-journeys to an in-my-end-is-my-beginning finale of mystic marvellousness. And video allows the playback option that this great puzzle-parable demands.

Finally, and far from least, *The Amazing Adventures of Baron Munchhausen* (EMI). One walking wounded: one stretcher-case: and now — Eureka—one hale-and-hearty video survivor with scarce any signs of damage upon it at all.

This German fantasy-spectacle was made during World War II with what seems to have been all the Deutschemarks left over from Hitler's depredations on the war-front. A tall-story-telling Baron (Hans Albers); whirlwind visits to Tsarist Russia and belle *époque* Venice; a ride on a cannonball into a Turkish Palace; and a balloon-trip to the Moon.

The last-named sequence is pure enchantment. Violin-bearing trees and human flowers wax and wane as seasons whizz by (one day equals one year), and in a sparkling lunar Never-never-land German kitsch dons the wardrobe of purest wonder.

Ayckbourn wash-out at the National

Owing to continuing difficulties with the river setting for Alan Ayckbourn's new comedy, *Way Upstream*, in the Lyttelton Theatre, tomorrow's rescheduled opening night has been cancelled.

The design incorporates a 24-foot cabin cruiser in a glass fibre tank containing 6,000 gallons of water. A National Theatre spokesman blamed the demands of the repertory schedule for the repeated hitches. The play had been due to open to the Press on August 18. Since then, there have been more previews in the Lyttelton, but more leaks as well. These renewed problems resulted in the cancellation of preview performances on Saturday and Monday evenings.

While the production team goes back to the drawing board, all September performances of *Way Upstream* have been cancelled. From the middle of the month, Peter Hall's revival of *The Importance of Being Earnest* will take the place of Ayckbourn in the repertory, but until then the Lyttelton will remain dark on the nights the play should have been given.

It is hoped the play will re-open to public and the Press in October.

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DRURY LANE Theatre Royal. CC 01-836 8108. Grp sales 379 6061. TIM CURRY, PAMELA STEPHENSON, GEORGE COLE, ANNIE ROSS in THE PIRATES OF PENZANCE. Eves 7.30. Mat Wed & Sat 3.0. Credit Card Hotline 930 9232.

GARRICK. CC 836 4601. Eves 8. Mat Wed 3. Sat 5 & 8. 12th HYSTERICAL YEAR OF THE LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE WE'RE BRITISH. Directed by Allan Davis. Group sales Box Office 379 6061. Credit card bookings 930 9232.

GLOBE THEATRE. 01-437 1592. CC Hotline 930 9232. Grp sales 379 6061. Evgs Mon-Fri 8.0. Weds mat 3.0. Sats 5.0 & 8.30. MARIA AITKEN, IAN OGILVY, GARY BOND in Noel Coward's DESIGN FOR LIVING with ROLAND CURRAM. Directed by Alan Strachan.

HAYMARKET THEATRE ROYAL. 930 9832. Grp sales 379 6061. Evgs 7.30. Mats Wed 2.30. Sats 4.0. DONALD SINDEN, FRANCES DE LA TOUR, RONALD PICKUP, SHEILA GISH, BILL FRASER, MARGARET RAWLINGS, FREDA JACKSON, HARRY ANDREWS in UNCLE VANYA by Anton Chekhov. Directed by Christopher Fettes.

HAYMARKET THEATRE ROYAL. 930 9832. Previewing Tues at 7.30 & Wed at 2.30 & 7.30. Opens Thurs Sept 9 at 7.0. LEONARD ROSSITER, MEL MARTIN, STEPHAN CHASE in THE RULES OF THE GAME by Luigi Pirandello. Directed by Anthony Quayle.

HER MAJESTY'S. 01-930 8606-7. Credit card Hotlines 930 9232 & 930 4025-6. Group sales 379 6061. Eves 7.30. Sat mat 3.0. THE NATIONAL THEATRE'S MULTI-AWARD WINNING INTERNATIONAL SMASH-HIT FRANK FINLAY in AMADEUS by PETER SHAFFER directed by PETER HALL with Nickolas Grace. MUST END OCT. 2.

JEANNETTA COCHRANE. 01-242 7040. National Youth Theatre in TWELFTH NIGHT. Red price prevs ton't at 7.00. Opens Mon.

KING'S HEAD. 226 1916. Til Sat! Dnr 7. Show 8. I'M JUST WILDE ABOUT OSCAR a musical by Penny Faith & Howard Samuels. Sept 6 to 25 One Man Show NEIL INNES.

LONDON PALLADIUM. 01-437 7373. MICHAEL CRAWFORD in the Broadway Musical BARNUM. Evgs 7.30. Mat Wed and Sat 2.45. Use the Barnum Hotlines 01-437 2055. 01-734 8961 for instant credit card reservations. NOW BOOKING TO FEBRUARY 5 1983.

LYRIC HAMMERSMITH. S CC 01-741 2311. 01-200 0200 (24 hrs). Evgs 7.30. Thurs mat 2.30. Sat 4.30 & 8.15. SHE STOOPS TO CONQUER. Oliver Goldsmith's comedy. Directed by William Gaskill.

LYRIC THEATRE. Shaftesbury Ave. Box Office 437 3686. Tel. Credit card bkgs accepted. GLENDA JACKSON, GEORGINA HALE in SUMMIT CONFERENCE. A new play by Robert David MacDonald. Over 150 performances. Evgs 8.0. Mats Wed 3.0. Sats 5.0.

MAY FAIR. S CC 629 3036. Mon-Thurs 8.00, Fri and Sat 6 & 8.30. Richard Todd, Derren Nesbitt, Carole Mowlam in THE BUSINESS OF MURDER. SECOND GREAT YEAR.

NATIONAL THEATRE. S 928 2252. OLIVIER (open stage) Ton't 7.15 DANTON'S DEATH by Buchner. Tomor 7.15 GUYS AND DOLLS. LYTTELTON (proscenium stage) NO PERFS WAY UPSTREAM THIS MONTH. Returning October. COTTESLOE (small auditorium — low price tkts) Tomor's Preview Cancelled. Prev Sat 7.30 THE SPANISH TRAGEDY by Kyd. Excellent cheap seats all 3 theatres and STANDBY in Olivier/Lyttelton from 10 am on day. Car park. Restaurant 928 2033. Credit card bkgs 928 5933. NT also at HER MAJESTY'S.

NEW LONDON. CC Drury Lane, WC2. 01-405 0072 or 01-404 4079. Evs 7.45. Tues and Sat 3.0 & 7.45. The Andrew Lloyd-Webber-T. S. Eliot Award Winning musical CATS. Group bookings 01-405 1567 or 01-379 6061. LATECOMERS NOT ADMITTED WHILE AUDITORIUM IS IN MOTION. PLEASE BE PROMPT. NOW BOOKING TILL JULY 1983.

PALACE. CC 01-437 6834. CC Hotline 437 8327. Andrew Lloyd-Webber's SONG AND DANCE. Starring GEMMA CRAVEN & WAYNE SLEEP. Due to overwhelming demand now booking to Jan. 1983. Evgs 8.0. Fri & Sat 5.45 & 8.30. Some good seats still available most perfs. Group sales 437 6834. 379 6061.

PICCADILLY. S. Air-cond. 437 4506. CC 379 5658. Group sales 01-836 3962. 379 6061. Mon-Fri 7.30. Mats Wed 3.0. & Sat 5.30 & 8.15. Students £3.50. ROYAL SHAKESPEARE COMPANY in Willy Russell's new comedy EDUCATING RITA. RSC also at Barbican.

PRINCE EDWARD. Tim Rice and Andrew Lloyd-Webber's EVITA. Dir. by Hal Prince. Evgs 8.0. Low price mats Thur & Sat 3.0. Evgs perfs end 10.15. Box Office 437 6877. CC Hotlines 439 8499. Grp sales 379 6061 or Box Office Inst. 24-hr bkgs. Teledata 01-200 0200.

PRINCE OF WALES THEATRE. 930 8681. CC Hotline 930 0846 or Teledata 01-200 0200 (24 hr bkgs) group sales 01-379 6061 or bookings on entry. ROY HUDD, CHRISTOPHER TIMOTHY in UNDERNEATH THE ARCHES. The smash hit family musical. Mon-Thur 7.30. Fri & Sat 5.15 & 8.30. SPECIAL RATE £4 ANY TICKET, children, OAPs, students. Mon-Thur & Fri 5.15.

QUEEN'S. S CC 01-734 1166. 439 3849. 4031. Credit card 01-930 9232. Group sales 01-379 6061. Evenings 8.00. Mat Wed 3.0 Sat 5.30 & 8.30. ANOTHER COUNTRY by Julian Mitchell.

RAYMOND REVUEBAR. CC 01-734 1593. Mon-Sat nightly 7pm, 9pm, 11pm. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. Special concession to members of HM Armed Forces. Admission £7.00 to any 7 pm perf. 25th sensational year.

ROYAL COURT. S CC 730 1745. TOP GIRLS by Caryl Churchill. Evgs 8.00.

ROYAL COURT THEATRE UPSTAIRS. 730 2554. SALONIKA by Louise Page. Last week. Evgs 7.30.

ROYAL FESTIVAL HALL. 01-928 3191. CC 01-928 6544-5. LONDON FESTIVAL BALLET Ton't 7.30. Sat 3.00 & 8.30 La Sylphide (Ton't Evdokimova/Schaufuss Larsen).

ROYAL OPERA HOUSE COVENT GARDEN S 240 1066. Access/Visa 836 6903. 10 am-6.30 pm (Mon-Fri). 82-83 season opens with DER RING DES NIBELUNGEN. First perf Mon. Tkts avail from £10.

SADLER'S WELLS THEATRE, EC1. CC 01-278 8916 (5 lines). 24 hr instant bkg 01-200 0200. Grp sales 01-379 6061. Until September 11 SADLER'S WELLS ROYAL BALLET. Ton't 7.30 The Swan of Tuonela. Tomor 7.30, Sat 2.30 & 7.30 Papillon. 3rd Dance Subscription now open. Ring 01-278 0855 (24 hrs) for brochure. AMPLE FREE PARKING after 6.30 pm.

ST. PANCRAS PARISH CHURCH. 01-388 1394. National Youth Theatre in MURDER IN THE CATHEDRAL by T. S. Eliot. Evgs 7.15 pm.

SAVOY. S 01-836 8888. CC 930 9232. Evenings 7.45. Mats Wed 2.30. Sat 5.0, 8.30. MICHAEL FRAYN'S NEW COMEDY NOISES OFF. Directed by MICHAEL BLAKEMORE.

ST. MARTIN'S. CC 836 1443. Eves 8. Tues Mat 2.45. Saturdays 5 & 8. Agatha Christie's THE MOUSETRAP. World's longest-ever run. 30th Year. Fully air-conditioned theatre.

VAUDEVILLE. CC 01-836 9988. 01-930 9232 (5 lines). MOIRA LISTER, PATRICK CARGILL, BARBARA MURRAY, GLYN HOUSTON. KEY FOR TWO. A new comedy by John Chapman and Dave Freeman. Previews Sept 6 & 7. Opens Sept 8 at 7.0. Sub evgs Mon-Fri 8.0. Mats Wed 2.45. Sat 5.00 & 8.00.

VAUDEVILLE. CC 01-836 9988. Last 4 perfs! Ton't & Tomor 8 pm. Sat 5 & 8 pm. GORDON JACKSON in AGATHA CHRISTIE'S CARDS ON THE TABLE. Fully air-conditioned theatre. NINE MONTHS' RUN ENDS SAT!

VICTORIA PALACE. CC 01-834 1317-8. 01-828 4735-6. Group sales 379 6061. DENNIS WATERMAN, ANTON RODGERS. The News Musical WINDY CITY. Based on the play The Front Page. Directed by Peter Wood. Eves 7.30. Mat Wed & Sat 3 pm. Credit card Hotline 930 9232.

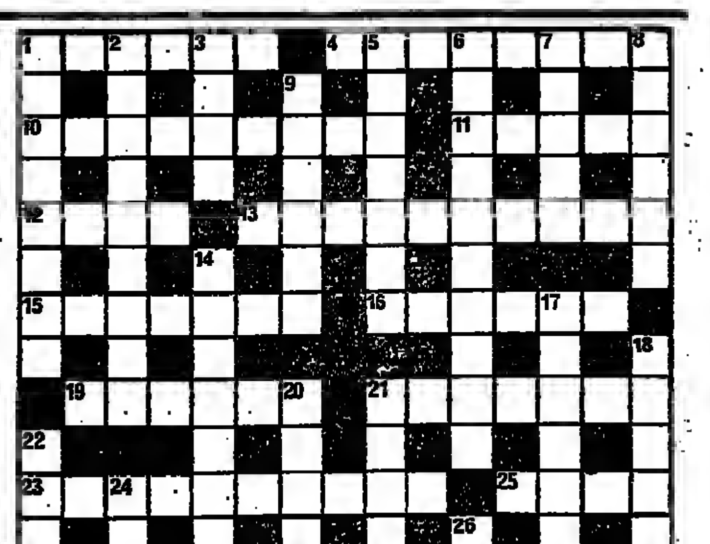
WHITEHALL. 930 6975-6976 and 930 6691-7765. ROBERT POWELL as Philip Marlowe. LEE MONTAGUE as Raymond Chandler in PRIVATE DICK with Ronnie Letham and Elizabeth Richardson. Tickets £3, £4, £5, £6, £7, £8. Students S-by £2.50. Mon-Fri 8 pm. Sat 6.15 pm and 8.45 pm.

WESTMINSTER. 01-834 0283. UNTIL SEPT. 4. DAILY 2.30 & 5.30 ROALD DAHL'S JAMES AND THE GIANT PEACH.

WYNDHAM'S. S. Air-cond. 836 3028. CC 379 6565. Grp reductions 836 3962. Mon to Sat 8.00. ROBYN ARCHER in A STAR IS TORN.

YOUNG VIC (Waterloo). 928 6363. Evgs 7.30. Sat Mat 2.30. EDWARD FOX in HAMLET. All seats £2.50.

F.T. CROSSWORD PUZZLE No. 4,963



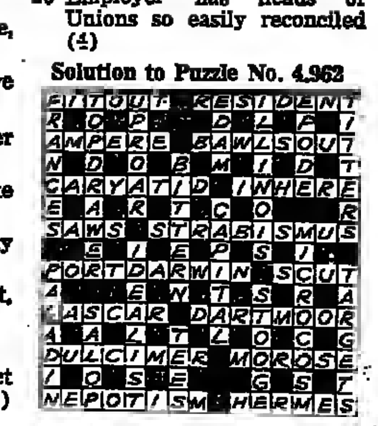
ACROSS

1 Relax in a railway jacket (6)
4 I'm drunk — spree's so riotous (8)
10 You had a late meal, we bear, to reduce! (9)
11 Loud prying round one (5)
12 Observe in glasses, pyrotechnic display (4)
13 Medium sort of board (10)
15 Cheated the miniater, a novice—perished outside (7)
16 Kerry's round bouncing ball (6)
19 Acts appropriately? (6)
21 It's as well man's into insects (7)
23 Animals produce as orchard does (5, 5)
25 Heart of chorale's spoken (4)
27 Clergyman is able to proceed here (5)
28 Rock is something of prime importance (with no hesitation) (9)
29 Providing foolish figure to audience is synthetic material (8)
30 Rent to produce tears when girl's taken in (6)

DOWN

1 On them one's destitute and smile goes (4-4)
2 There's a world of difference between these places (9)
3 Bird of another nest (4)
5 Long for favourites to come up in London (7)
6 Mad hunter above danger will do so (3, 3, 4)
7 Fleet's churchman (5)
8 Gas burner (6)
9 Not well up in one's home, lacking colour (6)
14 Count rails fluttering above man's reception (10)
17 Duck under the bed-cover (9)
18 Probe round cracked slate with instrument (8)
20 Arab race in desert mainly (7)
21 Cheese on railway, in short, lacks smoothness (6)
22 Useful for tots (6)
24 A novice embraces upset nun? Make nothing of it (5)
26 Employer has heads of Unions so easily reconciled (4)

Solution to Puzzle No. 4,962



FINANCIAL TIMES

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Thursday September 2 1982

A dream ends in France

THE DASH for growth in socialist France has become a dash for cover. The Budget for 1983, announced yesterday, sets the seal on a fundamental change of priorities that has become increasingly apparent since June. The creation of new jobs must give pride of place to reducing inflation and the rapidly growing current account deficit.

President Mitterrand sounded the keynote himself when he announced in June that the Budget deficit was to be held to 3 per cent of GNP this year and next. That target has been upheld. It leaves very little scope for fiscally-induced expansion.

The secretariat of the Organisation for Economic Co-operation and Development estimates that a 3 per cent deficit this year will add 1 per cent to domestic demand. Next year that expansive effect will be down to 0.1 per cent, or next to nothing. Small wonder that French socialist leaders now talk of "rigour" and "terrible years" to come in gloomy contrast with the euphoria after their electoral victories last year. Their initial hopes were choked by a rising inflation rate, loss of competitiveness in world markets, and two devaluations of the franc.

Stringent

Besides switching to more stringent budgeting and besides devaluing twice, the Government of M Pierre Mauroy has sought to underpin his anti-inflationary policy with a wage and price freeze decreed until the end of October. As usual this bludgeon produced an initial success; on an annualised basis the inflation rate was down to 11.9 per cent in July from 13.5 per cent in June.

But, as is also usual, the freeze raises as many problems as it answers. The Government want both sides of industry to agree to a period of restraint to last for 14 months. It has met with little encouragement from the trade unions which, probably with good reason, fear that they will be asked to renounce real wage increases or even to accept cuts for a prolonged period. The sacred principle of wage indexing is in danger.

The need to cut the costs of French industry is made evident by the deepening trade deficit. In the first seven months of this year it came to FFr 52bn (about £4.3bn), only FFr 7bn less than the deficit for the whole of 1981. Admittedly, the benefits of the devaluation in June have yet to be felt.

Imports

But the adverse ones have already arrived in the form of higher costs for imports, not least energy. France depends upon imported energy for three-quarters of its needs. Ominously, two months after the devaluation, French external trade in cars went into deficit, something previously unheard of.

It adds up to a dispiriting picture of failure for the first year of socialist rule in France. Despite last year's fiscal boost, unemployment mounted in 1981 and has continued to do so. The franc has been devalued and already the Government has had to deny rumours of a third devaluation.

Inflation may have been checked, but given the notorious uncertainties of freezes, it remains to be seen whether the announced targets of inflation rates of 10 per cent this year and 8 per cent next can really be met. Growth forecasts of above 2 per cent for both years look equally chancy in an uncertain world.

M Mauroy had every reason to change course and to risk what is bound to be an unpopular Budget. A sop was needed for the unions and has come in the form of an increased top marginal rate of income tax. It will produce little revenue. It could also undermine his attempt to channel more resources into investment by tax breaks for equity investment.

Recognition

Nonetheless, the recognition that consumption must be reined in is along the right lines, and underlies the Budget strategy. That is not to say that rigour will work. Investor confidence has been badly shaken by last year's nationalisations and by the uncertain world outlook.

Above all, M Mauroy needs his understanding with the unions for inflation to be brought under control. The long-term French experience with inflation is not encouraging, given that that performance has to be measured against that in Germany, the main competitor of French industry.

The Signal Life scandal

REVERBERATIONS from the Signal Life Assurance scandal are getting louder by the day. No sooner have holders of two gold income bonds issued by the company been offered a money back guarantee by the trustee, the Hongkong and Shanghai Banking Corporation, than serious doubts are emerging about the safety of certain guaranteed gilt bonds also issued by Signal and bought by an unknown number of individual UK investors.

Reports last week revealed that far from being backed by first class government securities as the prospectus states part of the underlying investment was a tranche of bonds issued by the pre-Hitler Weimar Republic. What can be done to prevent this sort of thing happening again.?

Monitor

There is no doubt that most life assurance policyholders in Britain are—indirectly at least—well protected. Admittedly nothing can stop someone, however ill qualified, setting up in business to sell insurance provided he does not call himself an insurance broker. But the Department of Trade's responsibility to scrutinise the financial position of UK registered life companies should help avert their financial collapse. The ultimate safety net is provided by the Policyholders Protection Act which will reimburse investors in the event of such a disaster.

None of this applies, however, to companies registered outside the UK. The Gibraltar-based Signal Life is now an infamous example but it is well known that there are many others in far away tax havens. Often there are no local supervisory authorities in a position to monitor the probity of such operations. Such companies are perfectly free to market their wares to UK investors provided they point out on their literature that they are not registered in the UK and provided they sell their products through an intermediary.

Insurance brokers galore seemed only too happy to market Signal Life bonds offering, as they did, an apparently juicy yield to the investor and a fatter-than-usual commission to the intermediary. And they took considerable comfort from the position of the Hongkong and Shanghai Banking Corporation as trustee of the gold bonds. The Hongkong bank has certainly done the honourable thing by agreeing to refund investors. But there are plenty of unanswered questions as to how it got itself into that position in the first place.

Warning

The Department of Trade's main reaction to Signal Life seems to be to try and persuade the Gibraltar authorities and officials in other offshore centres to tighten up their own procedures. Some thought is also being given to introducing a requirement that warnings of overseas registration should be much bigger and more conspicuous on an overseas company's marketing literature. But since Signal Life was cheeky enough actually to make a virtue of the fact that its bonds would not be subject to a capital levy under the Policyholders' Protection Act, this hardly seems a watertight solution.

Principle

Apart from taking these steps the DOT seems reluctant to go further. So it appears for the moment that the principle of *caveat emptor* is to be applied. This leaves too much responsibility for avoiding more Signal Life sagas with the intermediaries who sell off-shore products. Professor Jim Gower, adviser to the DOT, is now considering his final report on the protection of investors. He is known to be concerned about the dangers of allowing unregulated overseas operators to market their investments in the UK while domestic institutions are to be more tightly controlled. The Signal Life affair highlights the need for this loophole to be effectively closed.

ECONOMIC VIEWPOINT

The end of the world—perhaps

By Anthony Harris

"TELL ME," said a friend, back from his summer holidays, "has the world come to an end while I've been away?"

The question looks simple but it is surprisingly difficult to answer with conviction. There is a still small but well-informed school of thought, mainly of financial rather than economic analysts, who say with some confidence that it has. Recovery is nowhere in sight, markets have begun an irreversible flight into quality and credit is contracting of its own accord as both lenders and borrowers try to reduce their risk exposure. In other words, we have embarked on a slump and that is why interest rates are falling.

On the other side of the argument are the real-economy specialists, whose models tell them that falling inflation will raise real incomes, rising bond values will encourage spending and that a modest recovery at least can be expected at any minute. Unfortunately they have been saying the same thing for rather a long time, without being right; and their models cannot, by their nature, capture the kind of deep psychological change which the financial analysts claim to detect.

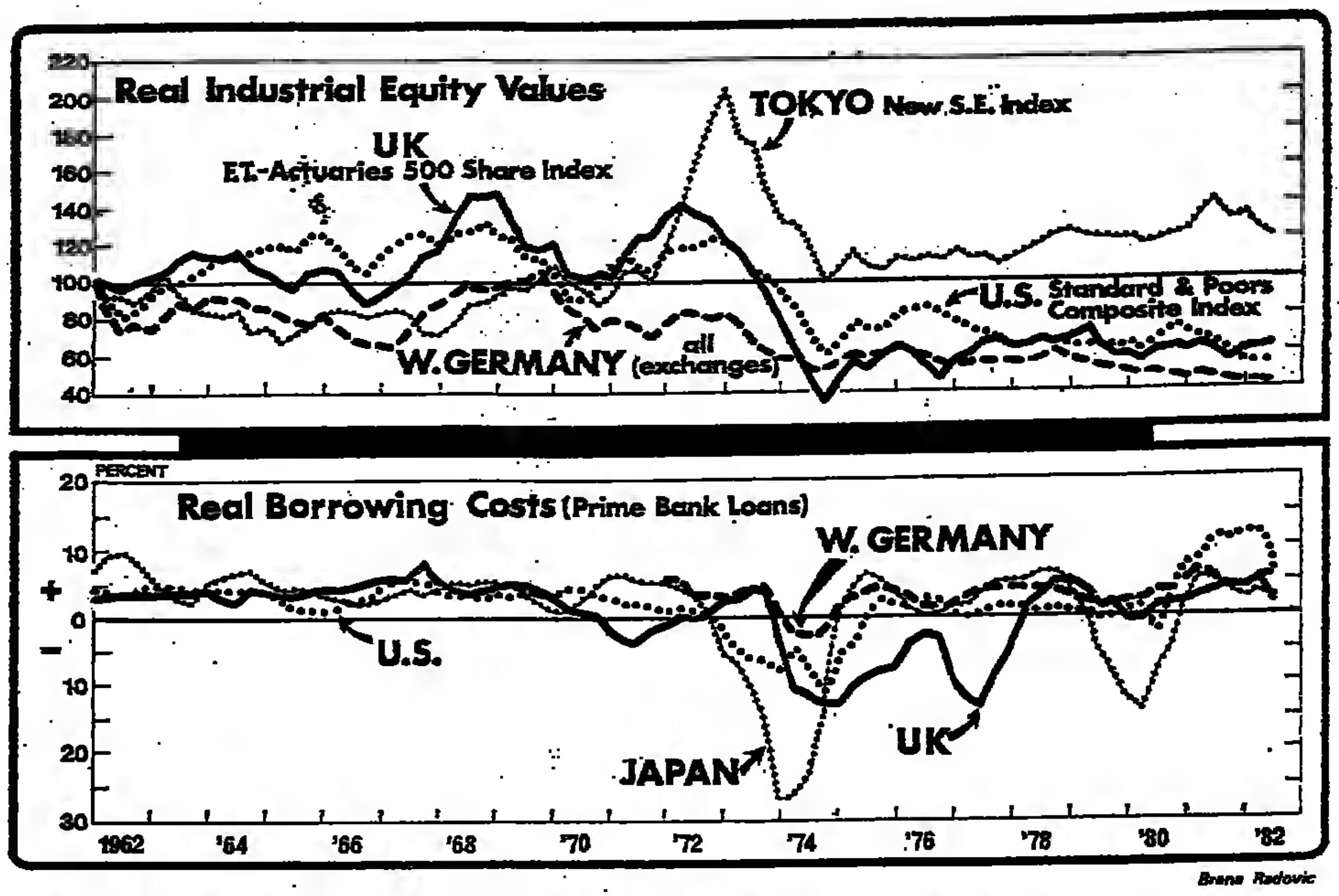
A compromise answer was offered by a merchant banker of broad experience: "Has the world come to an end? Not yet." This is probably a just assessment, but not—if you think about it—at all comforting.

So what did happen in August? There was a tremor, certainly, which seemed very dramatic to those who were still at their desks at the time: but as the charts show, the results were not very striking on a longer view.

Interest rates did retreat from the very high real values they had reached in the U.S., and to a lesser extent in the UK, in the first half of the year; but this was simply a return to trend. From the point of view of industry real rates — money rates deflated by factory-gate prices — returned to a level still a little higher than in 1980, though a shade lower than in 1981. In Germany and Japan, once regarded as the world's locomotive economies, real rates are still historically high.

As for the events reported as a world-wide stock market boom, they simply vanish in the historic perspective. The quarterly averages wipe out the fall in values which shortly preceded the rebound; and although the final figure is not smoothed — it is the average value for last week — it is almost invisible. In the U.S. and Germany values remain at or near historic lows in real terms; in Britain they remain in the narrow range which has ruled since the markets got the measure of Mrs Thatcher.

Only in Japan have real security values recovered to their level of a decade ago—a performance twice as good as the average of other markets, but only in this context much of a compliment to the world's most dynamic economy.



Brena Radovic

These long trends do not only put August 1982 into perspective; it will be lucky to get a small footnote in the history books — reading, perhaps: "Small earthquake in Mexico; few hurt." Or that, at least, is what the banking industry would like to believe.

They also, however, remind us of certain deeper truths which are so familiar that it is easy to overlook them. The inflationary decade we have just suffered has done grave damage to the whole private-enterprise system, as the markets tell us; only those who can run as fast as the Japanese can stay in the same place, and nobody has progressed.

The trend of real interest rates is also instructive. It is not true, except for a brief period in the U.S., that monetarist discipline has raised the real cost of borrowing to historically high levels. On the contrary, the cost of credit is relatively normal in real terms in most industrial countries since the August correction.

However, credit remains dear in three very important respects. First, rates are abnormally high for a recession. They will have to fall faster than inflation is falling for some time yet if they are to achieve the real values which have historically made it easy to rebuild liquidity, straighten out balance-sheets, and revive investment.

Second, rates remain high in relation to *prospective* inflation. The more often it is forecast that inflation will fall, the longer will the revival of bond financing for the private sector be delayed; rates that seem cheap looking backwards are dear looking forwards.

Finally, credit remains expensive in relation to the very poor returns which the private sector has been able to earn on its assets. This compression of margins is a long-term, worldwide trend, and suggests that the kind of financial configuration which would have led to a revival in the 1960s or early 1970s will no longer do the trick.

It is this last fact which explains the recent revival of obsessions familiar in the 1920s with the level of real wages as an explanation for the slump. In the context of one country — especially a country which has been losing market share for a century, and which has an over-valued exchange rate—this stress on competitiveness may sound like common sense.

> The long trends put August 1982 into perspective; it will be lucky to get a small footnote in the history books

However, when presented as an answer to a worldwide problem, as it is in the IMF's annual report, it is less convincing. As a senior British official sourly remarked: "The IMF's answer is that everyone must become more competitive with everyone else."

It is these underlying problems, and the suggested answers to them, which provide some of the stronger evidence that we are now engaged not with a cyclical recession, but with some sort of long-cycle slump. The levels of output in steel and engineering, the state of the world car industry, the plight of the commodity producers, the talk of dumping and protection ere rather more tangible evidence of slump than interest rates which are high in relation to activity, or a Chancellor who talks as if reared exclusively on the works of Montagu Norman —Governor of the Bank of England 1920-1944. They all tell the same story, though.

Why then have the financial markets not behaved more dramatically? In 1929-31 we had a crash whose echoes can still be heard; this time we have only a whimper, and an ambiguous one at that—an expression of mingled alarm and relief. And perhaps most puzzling, why in such a world should it be financial analysts who talk of slump, and real-world modellers who hope for recovery?

The possible key to this conundrum lies in the one fact which marks the present cycle as radically different from the one which touched bottom 50 years ago: this is the first inflationary depression in tha history of the world. Inflation makes the problem at once more obstinate and less catastrophic.

A generation ago it was impossible even to consider an economic revival based on low interest rates: prices were falling, and in real terms debts were hard to service even at near-zero interest. That is why President Roosevelt called for champagne at the first news of rising prices—and why American farmers and commodity producers everywhere would now do the same.

In the industrial economies where inflation is still historically high, though subsiding, however, the picture is radically different. Interest rates can indeed fall to low real values, though they have not yet done so.

However, there is a price to pay: given the constraints of monetary control, the remedy for slump discovered by Keynes will not work in an inflationary environment. On the contrary, governments now think that they can achieve low interest rates by adopting more deflationary rather than more expansionary fiscal policies.

British experience in 1981 suggested that the trade-off in terms of real activity is worthwhile, but not inspiring: a better balance of deflationary policies arrested the collapse of industrial activity, and produced stagnation instead. The continuing rise in unemployment reflects competitive pressures rather than a fall in output.

Here, as with real wages, the IMF is seeking to apply British policies to the whole world; again, it is not clear that the solution can be generalised in this way. Britain, after all, gained mainly through a correction of tha exchange rate.

However, even if a rise in world taxes and a fall in world interest rates leaves real activity little affected, it may make it possible to address the underlying problem which concerns financial analysts: the reconstruction of the world's balance sheet. The debt problems of Poland and Mexico, of International Harvester and AEG, suggest that the task has been left dangerously late.

The world's debt schedule was allowed to reach its present tottery state because inflation made both lenders and borrowers complacent. Lenders got the best return they could, borrowers relied on inflation to erode the real obligations they had signed. Inflation in this context is a solution rather than a problem: it is an adjustment mechanism by which excessive credit expansion becomes manageable.

Indeed, the inflation of the 1970s was the adjustment required to make sense of the world-wide refusal to respond to high oil prices by cutting real incomes: the recycled Opec surpluses were the source of unsustainable credit expansion, and the fiscal squeeze now being mounted would have been more appropriate in 1974. The inflation has robbed Opec of much of the real value it thought it had secured when investing its surpluses.

However, as financial markets and interest rates adjust to past inflation, only accelerating inflation can keep the adjustment going; and in the end governments were faced with a stark choice between indefinite acceleration—hyper inflation—and a determined attempt to reverse the process. It was the stress produced by this reversal which produced the murderously high interest rates we have recently seen.

We can now return to the question with which we opened, in a new form: did the inflationary world of the past decade come to an end last month?

The question is still wide open. If the shock to confidence of the recent debt crises is as profound as some analysts believe, it did. Borrowing and monetary growth will recede unbidden, activity will remain depressed for several years, but at least debt service costs will become bearable for all sound borrowers, and reconstruction can go on its protracted way, with defaults absorbed in banking profits, and funding achieved when rates are nominally low.

This is not an attractive prospect, but nor is the alternative: for if credit expansion again starts straining at official policy, and rates shoot up again, then debt service costs will become intolerable again, and we will fall back on the most brutal and disruptive solution: default.

The reason would be the same as it was in the 1930s, when, for example, 70 per cent of all Latin American bonds defaulted: a depressed economy with shrinking export earnings cannot support a burden of debt which is rapidly growing in real terms, as interest is rolled in. That is perhaps the outcome my banking friend still hoped might be avoided when he commented so ambiguously: not yet.

Men & Matters

Nott's landing

Politics is full of surprises. Less than two years ago Defence Secretary John Nott, that most mercurial of British politicians, was being tipped as the next Chancellor of the Exchequer—and after that who knows what? Now he is to retire from politics at the next General Election.

Today, at 50, he is amused by the idea that anyone so chaotic and temperamental as himself could ever have been considered as a future Tory Party leader. He would have liked to be Chancellor, a job which he says he could have done well. But that was the limit of his political ambitions.

His decision not to stand for the Commons again, he claims, was made at the 1979 election when he more than doubled his majority at St Ives. He told Mrs Thatcher last December. She persuaded him to delay the announcement until the spring. Then came the Falklands crisis and, though Nott did offer to resign his post, he could hardly be allowed to go as well as Lord Carrington.

Curiously, in view of his one-time ambition, it was the Treasury which broke him. Nott produced a Defence Review last year to the Prime Minister's liking, a task that had defied his predecessor Francis Pym.

Yet it was when the Treasury tried to claw back the expenditure in the autumn that he became depressed. The PESC exercise, he says, was one he never wanted to go through again unless the rules were changed to recognise the inevitable long-term nature of defence spending. It was that rather than the Falklands from which he never recovered.

There was, perhaps, also a failing of temperament. He lacked the ability, possibly even the desire, to engage in long arguments with Treasury Ministers. He referred to his "combative nature," but it was worse than that: he repeatedly seemed to lose his temper.

A senior City figure who grew up with him noted that almost the only worrying factor about Mrs Thatcher's first Government was Nott's inclusion, precisely because of that "low boiling point."

Still, it is to the City that Nott may turn. He has been talking to the former Tory Chancellor Lord Barber, whom he once served, though not about a job at Standard Chartered.

Nott says he would like to make a new career in international business and stresses his interest in engineering. If nothing turns up, he can fall back on his farm.

The choice for the eventual succession at the Defence Department seems to lie between Peter Walker, who is bored at Agriculture; Michael Heseltine, who is a good organiser and would be acceptable to Treasury Ministers; and, on the outside, George Younger, the Scottish Secretary, who was once a junior defence minister.

It all points to a Cabinet reshuffle after tha Falklands White Paper around the end of the year.

Almost friends

New Zealand's prime minister Robert Muldoon appeared to do a U-turn on his view of the world economy when in London yesterday he joined with the initiative of Shridath Ramphal, the Commonwealth Secretary-General, for a new Bretton Woods conference.

The two have never been the best of friends. At last year's Melbourne "summit" Muldoon was quick to dismiss Ramphal's statement on the need to aid the developing world as "a collection of platitudes." Ramphal replied tartly that he had had quarrels with other Commonwealth leaders in tha past "notably Idi Amin."

Muldoon showed a certain style yesterday by appearing at a lunch with journalists wearing a New Zealand dairy board tie made of casein, which presumably could make a between-meals snack for a busy PM.

He pushed Ramphal's idea and went on to mention his astonishment at the alignment of views.

Indeed Muldoon appeared to be making a take-over bid for the initiative. Members of his entourage, when quizzed about who had first brought up the possibility of a new Bretton Woods conference, claimed Ramphal had "lifted" his speech from one made by Muldoon in New Zealand six weeks ago.

High flyer

Word from the Euromarket is that another Frenchman, Philippe Marchat is to succeed Andre George, the long-serving treasury and finance director of the European Investment Bank.

George's resignation, effective at the end of the year, was made public last month—and the market has been waiting with some eagerness since to see who would get the daunting task of carrying on the EIB's huge borrowing programme.

A tough-talking, hard-bargaining banker, the 59-year-old George made his name in helping develop the EIB as the Eurobond market's largest borrower. Last year it raised $2.4bn.

Marchat is currently finance director of France's Caisse des Dépôts et Consignations, the central savings bank authority. Now 52, he is a graduate of the élite French training school for civil servants, the Ecole Nationale d'Administration. He served in the finance ministry in the 1950s and spent the next decade as financial counsellor to Senegal and in missions to the Congo and Guadeloupe.

His hobbies are aviation and tennis—fitting pursuits for the EIB's financial supremo whose job involves both high flying and hard service.

Society scourge

It has taken five years of campaigning for senior civil servant Paul Twyman to get on to the board of the Anglia Building Society. And it is one of life's little ironies that Anglia's merger with the London and South of England Building Society has created the opening.

Twyman's other brush with building society bureaucracy was more immediately successful. That was with the South of England and Goldhawk building societies which combined in 1980 to form London and South.

Twyman opposed compensation being paid to outgoing auditors at the time of the merger. The Registrar of Friendly Societies approved compensation but said he would look at tha practice more closely in future.

Ironically the managing director of the London and South who defended the compensation payment, Tony Stoughton-Harris, is now chief executive-elect of the Anglia.

Speaking of that victory Twyman says, "They got the message. Compensation has not been paid in any merger since."

Incidentally, Anglia reckons that a director's annual fee in the merged society is likely to be just over £6,000 a year.

Czech point

Sign outside a restaurant in a Czechoslovak resort: "Please do not insult our waiters. They are harder to get than customers."

Observer

The best meetings take place

For over a decade, people with a sense of occasion have chosen to rendezvous at the Inn on the Park.
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GERMAN POLITICS

The many shades of Green

By James Buchan in Bonn

Environmentalists—many of them Greens—stage a sit-in against tree-felling at Gatow RAF base in Berlin.

WHO ARE the Greens, the most vigorous new political movement to appear in West Germany for decades? The answers come thick and fast.

Fascists, according to Herr Holger Boerner, the Social Democrat Prime Minister of Hesse. "Soviet Trojan horsemen," says Herr Franz Josef Strauss, indomitable head of the right-wing Bavarian Christian Social Union. Early Nazis, says Herr Edmund Stoiber, general secretary of Herr Strauss's party. Extreme left-wing radicals, insinuates the Springer Press.

Try again, Chancellor Helmut Schmidt: "It is a movement more of protest on every conceivable front than a political party." Col Muammer Gadaffi, who entertained a group of Greens in Libya last month: "Yours is a movement which does a lot of criticising but has no solutions."

"We are the anti-party party," says Frau Petra Kelly, the small but combative head of the Greens at federal level.

Whoever the Greens are, the established parties, the Social Democrats and Free Democrats (in bad-tempered coalition in Bonn) and the Christian Democrats and Christian Social Union of Bavaria (in opposition in Bonn) have been rattled by their success and have delved into German demonology to beat them off.

In the parliamentary terms which many Greens despise:

- Since October 1979, Greens or alternatives of some sort or other have gained seats in the parliaments of four out of the 10 Laender and in Berlin: in Bremen (5 per cent), Baden Wuerttemberg (5.3 per cent), Berlin (7.2 per cent), Lower Saxony (6.7 per cent) and in Hamburg (7.7 per cent). They are also represented in countless smaller local assemblies.
- In Hamburg, a coalition of Greens and local citizens' action groups known as the Green Alternative List (GAL) drove the Free Democrats under the 5 per cent required for representation. The GAL is now holding talks with the Social Democrats on tolerating an SPD minority government. If these talks fail, as many GAL members hope, there will be new elections next March.
- In Hesse, the local Greens expect to exceed their Hamburg success, extinguish the FDP and force Herr Boerner to come to his "fascists" cap in hand. However, the Greens have vowed not to work with the man whose police they have constantly confronted in their campaign against a new runway at Frankfurt Airport.

Nor are the Federal Greens much help, for although Frau Kelly and her lieutenants are articulate speakers, general discussion of world disarmament or the dismantling of the great power blocks and the reunification of Germany give no clue to the Greens' real strength. The federal party was formed in early 1980 to fight that year's election and, caught between white hat Schmidt and black hat Strauss, performed dismally.

The problem is that at Laender or a lower level, not all the Greens are very Green. However, several general points can be made.

Opinion polls have shown that the bulk of the Green voters are young, consider themselves left of the SPD, support the peace movement which mobilised over 400,000 people in Bonn in June, bitterly oppose the stationing of new intermediate range missiles in Germany next year, oppose atomic power, distrust the U.S. and favour German neutrality.

It can further be added that the bulk of Green voters are professionals (especially teachers), civil servants and students.

The Hamburg GAL claims that 100 local shop stewards called on their members to vote for them, but also recognises that the Green economic programme is weak. At present, it consists only of ideas—job creation through more environmental safeguards, lower energy use, shorter working weeks and the turning over of defence industries to other manufacture—but a major conference with the trade unions is planned.

A poll by the right-wing Allensbach Institute also claims that Green voters are more tolerant of violence against people and property than supporters of the other parties.

Most Greens like to dispense with the traditional designations "Left" and "Right," and it is worth remarking that no party in Germany has so spanned the traditional spectrum since the National Socialists. Take the examples of Baden-Wuerttemberg and Berlin.

In Baden-Wuerttemberg, the local Greens are almost pure ecologists and are committed to non-violence. They draw their strength from what began as a movement of farmers and local residents against an atomic reactor at Wyhl, near the French border, and, in a province traditionally conservative with a large CDU majority, gained a third of their votes in the 1980 election from conservatives.

In Berlin the Alternative List, as it is called, is distinctly multicoloured, reflecting an older tradition and the peculiar political geography of this most peculiar city. According to Herr Ernst Hoplitschek, its spokesman in the 1981 election, atomic power entered into the group's political thinking quite late in the day and still seems a less vibrant issue than, for example, housing.

Herr Hoplitschek, now a member of the Greens' federal executive, says that Berlin activists divide into three groups — the "Prussians," who are former or actual Communists of Maoist bent, the "conservatives," consisting of disgruntled Social Democrats and others, and "independents," meaning conventional ecologists, vague leftists, anarchists and denizens of the *Szene*.

Hamburg stands somewhere between these extremes, for there is a strong "pure Green" movement on such issues as the pollution of the Elbe. Herr Ingo Borsum, 31, describes his fellow activists as largely "the generation of 1968" who, whether they drifted into the Jusos (the SPD youth wing) or the formal Left, such as the DKP, ended up "homeless," dejected by the SPD's compromises or the impotence of the doctrinaire Left. The farmers of Baden-Wuerttemberg and the first Green group (founded, significantly, by an ex-CDU man who has now, just as significantly, left) provided a new impetus.

Herr Thomas Ebermann, also 31, and the parliamentary party leader of the GAL, was briefly held last month for occupying a disused police station. He makes no secret of his radical past (including a leading role in the Kommunistisches Bund, a non-doctrinaire radical group). The Springer Press has argued that the Left is infiltrating the Greens and alleges that Herr Ebermann and three other GAL deputies are being watched by the German equivalent of MI5, though this is denied.

Perhaps a more typical Green is 43-year-old Frau Thea Bock, who says she came to the group through local citizens' action. She is a gym teacher and lives in Moorburg, a hamlet threatened by the SPD's plans to extend the Hamburg port. On her election, she did a handspring, which was considered unserious.

As conditions for tolerating an SPD Government, the GAL wants the Elbe immediately cleaned up, an atomic weapon-free zone, a stop to the port project, better conditions for women, job creation, and a general decentralisation of authority. "I have my doubts these conditions will be met," says Herr Borsum wrily, giving the impression that he does not want them met.

Among the Greens or alternatives, there is a strong feeling that German politics is at best trivial and at worst unjust. Parliamentary activity should be secondary to direct action, says the groups in Hamburg, Berlin, Lower Saxony and Hesse. Herr Martin Jaenicke, one of the dominant figures in the Alternative List, has warned against Green and alternative deputies sending out "an all-clear signal" to the bourgeoisie. "We have no illusions that we can realise our policies through parliaments," say the Hesse Greens. Above all, Herr Ebermann's run in with the police was designed as a clear sign to the SPD that neither he certainly nor the GAL probably are going to become socially acceptable, but will go on leaving mud in the drawing rooms of Laender politics.

All the talk among the Greens is of "basis democracy." Their deputies are rotated or have to give up a large portion of their parliamentary salaries to keep them from succumbing to the blandishments of power. Herr Ebermann has already rejected the car and chauffeur to which he is entitled.

Do the Greens have a future? As Greens, only perhaps. Many supporters fear that the movement will be drawn into arrangements with the established parties and will rapidly lose its appeal, no longer able to draw on frustration and boredom with 13 years of coalition rule or the drab leaders of the CDU. If the coalition with the Free Democrats collapses or is voted out of power, it could be that the SPD will fall back, gratefully, into opposition and start searching for the children it had no time for in government. The Greens may then be no more successful than the neo-Nazi NDP in the late 1960s, which emerged to herald a change in power in Bonn and disappeared after it was consummated.

At federal level, Frau Kelly may have to fight to maintain the Greens' integrity (vague as it is) against moves from the Laender to open the Green list to the various alternatives at the party congress in November.

The great issue among the young now is the protection of the environment, not simply against pollution, but against nuclear war and as part of the youth movement the Greens will increase in strength as the deadline for the new U.S. missiles approaches. Even if this issue recedes, the Greens should survive in some, probably multi-coloured, form until or unless West Germany forms a consensus on something more solid than rising standards of living.

Lombard

A bonanza for the lawyers

By Richard Lambert in New York

THERE ARE 617,320 lawyers in America—more than in the rest of the world combined—and they all like to eat lunch. Fortunately for them, the U.S. legal system almost guarantees a regular supply of meat and two veg. What that can mean for everyone else was highlighted in its most stark form in last week's move by the Manville Corporation, the world's biggest producer of asbestos products, to file for protection under the federal bankruptcy laws.

Many people have suffered serious injury, even death, as a result of their contact with asbestos. But what the Manville case shows is that the U.S. tort system is incapable of handling a tragedy of this magnitude—it is said to be the biggest set of related cases ever—in an equitable and even handed manner.

Manville has been brought to its knees by a flood of lawsuits which, it estimates could cost over $2bn (£1.16bn) to settle. But less than one third of the total costs of each suit is actually being paid to the injured worker, with the rest being soaked up in litigation expenses.

One reason is that lawyers are being paid on a contingent fee-basis. Their clients do not have to pay them any money if they fail to collect—but if they do receive an award, they agree to hand over perhaps as much as 40 per cent in fees. People have nothing to lose by suing in a personal liability case, because in America defendents usually have to hear their own legal expenses even if they are found to be blameless.

The idea is that the courtroom door should be kept open to the poor and those of modest means. Worthy stuff—but the practical results can be ridiculous. Andrew Tobias cites some examples in his excellent book on the insurance business, The Invisible Bankers.

There was the student who sued the University of Michigan for $853,000 for the mental anguish he suffered on receipt of a "D" in German. And the prisoner who sued the sherrif and his guards for not preventing his escape.

It was a gamble in which they had nothing to lose and, just possibly, something to gain—especially given the enormous power handed to American juries to evaluate such matters as personal anguish, and to make awards accordingly.

Juries know all about contingent fees, and frequently appear to allow for them when making an award. It is an arrangement that positively invites lawyers to behave like entrepreneurs, and there are numerous reports of asbestos workers being approached out of the blue by lawyers or their representatives and invited to make a claim.

The results can be entirely haphazard. Manville quotes the example of one recent trial in Texas, when five separate juries bearing five different cases were empanelled and heard the same evidence before the same judge in the same courtroom at the same time. Their findings ranged from no liability to punitive awards.

This is one reason why most asbestos cases in the U.S. are likely to be settled before they get through the courtroom door. Juries can be arbitrary, and lawyers are certainly expensive. There are strong pressures to pay up in all but the frivolous cases. Of course companies have to take responsibility for the safety of the products they make. But U.S. law is manifestly failing to deliver maximum payments to injured workers at the minimum costs to the companies.

According to a recent Gallup poll for the insurance information institute, over 60 per cent of the U.S. public believe that the fairest way to pay an attorney would be through a fee arrangement other than the prevailing contingent fee practice. Seventy per cent thought that the plaintiff should pay at least some of the defendant's legal expenses if the charges are not substantiated.

But there are 617,320 arguments in favour of the status quo.

"How much do you think my pelvis is worth?" asks an accident victim in the film The Fortune Cookie.

"By itself, nothing," replies sharp lawyer, Walter Matthau. "So it's a good thing you came to me. Before we're through with them, we'll have them begging for mercy."

"Who's them?"

"That I haven't figured out yet," says Matthau. "But don't go away. I'll think of an angle."

Letters to the Editor

Productivity, trade unions, industry and an upturn

From the General Secretary, General and Municipal Workers' Union

Sir,—What your correspondent from Crawley, whose letter appeared on August 25 suggests is that the outcome to the Government-engineered slump has been an increase in productive efficiency because trade unions have been forced to relinquish what Mr Daly calls "restrictive practices." There is absolutely no evidence to indicate that such marginal changes as have taken place have any impact on the overall performance of the British economy.

British Steel provides us with the clear object lesson on this point. Manning levels and productivity equal to or in excess of those of its competitors, does nothing to save even modern steel plants from closure and even whole towns from painful economic death. The key element in the equation for greater productivity in industry is greater overall demand which will allow idle capacity to be used and therefore reduce unit costs. Productivity in the British economy has always risen in times of growth. The one-off gains in productivity from closures of whole or parts of companies under the crushing weight of the Thatcherite sledge-hammer do nothing to build the structure on which future growth can emerge. Indeed, as John Elliott pointed out on August 3, so much capacity has been killed off, that should an upturn emerge from the monetarist quagmire, British industry will not be in a position to take advantage of it. Furthermore, overall competitiveness may well have been reduced as the major multinationals which dominate our industrial stage continue with their corporate strategies of investing in other parts of the world.

These are the fundamental industrial problems which TUC/Labour Party policy addresses in its newly published document — the conditions necessary for expansion, the problems of investment, the regional structure of the economy, the provision of (skilled) men and women-power, democratisation of corporate decision-making — and all are linked inextricably in a whole framework of recovery, alongside a range of vital social and political reforms. Your paper's analysis of Britain's industrial future under present circumstances suggests that British business ignores them at peril to its very existence. Will the CBI's cries of despair become a resounding demand for Labour's alternative?

David Basnett,
Thorne House,
Ruxley Ridge,
Claygate,
Esher, Surrey.

From Mr D. Benjamin

Sir,—Your front page article on August 24 "British productivity trailing" contains a journalistic injustice which badly needs redressing. The text describes how "output per man hour" is 250 per cent higher in America, how the German workers produce twice as much as their British counterparts. While accepting that in certain areas of industry this may be the case, the obvious conclusion which is misguidedly drawn from such an article is that the British worker is lazy.

Ironically, those people quickest to draw such a conclusion may be those who in many cases actually created the productivity problems in the first place —investors and management.

The "unproductive" British manual worker is very often using antiquated machinery and is unable to improve productivity other than by insignificant margins. Longbridge workers in the late 1970s were stripped of pride by a public ignorant of their working machines and environment. Today having invested in new plant, we are laying them off for being over-productive.

The work force is not blameless. That new equipment and automation often meet with hostility on the shop floor is undeniable. If, however, replacement machinery and automation were less of an event and more of a normal working practice as is the case in the U.S. and Germany, these problems would largely disappear.

Communications between parties must be held as paramount in any "productivity plans" and media more perceptive to the predicament of the manual worker could go a long way in opening communicative channels.

As an example, quoting statistics from an alternative viewpoint such as "output per pound invested," may actually provide a better representation of the reasons for productivity levels in industry.

It is rarely we read headlines "British investors and management fail to make industry productive."

Desmond Benjamin.
9 The Chequers, West End Lane,
Pinner, Middlesex.

Mr Scargill's figures

From the Executive Director, United Kingdom Petroleum Industry Association

Sir,—On August 27 you reported Mr Arthur Scargill as saying that Britain is importing 8m tons of oil which cost 30 per cent more than it would cost to produce British coal. "That means more than £2,500m a year could be saved and used to stimulate the economy."

I would make two points. Britain was a net exporter of crude oil in 1981 to the tune of almost 15m tonnes. In 1982 net exports are expected to be significantly higher.

Diffident as I am about my arithmetic ability, there is something seriously wrong with the money figure attributed to Mr Scargill. At current North Sea crude prices and exchange rate, 8m tonnes of oil has a value of around £1,040m—and 30 per cent of that is £312m.

Ian Berwick.
UK Petroleum Industry Association,
9, Kingsway, WC2.

British Telecom charges

From Mr B. Prodhan.

Sir,—The New York Telephone Company has agreed to give its customers the option of buying their telephones, eliminating the need to pay rental charges. Can British telephone users be given the same opportunity?

B. Prodhan.
Strathclyde Business School.
130 Rottenrow, Glasgow.

Lighting-up time

From Mr D. Hore.

Sir,—While regretting that Mr Delen's short holiday has been spoiled by motorists using their lights outside the hours of darkness (August 27) I can only assume that he has not had time to notice the large number of drivers to whom full control of the lighting system means keeping lights switched off when visibility is poor, whether due to fog, rain or dusk, and thereby making driving more hazardous than it need be.

Day running lights are an entirely sensible feature in my view and I have no doubt that they will be universally adopted eventually. I just cannot comprehend why Mr Delens should react so strongly against this particular aspect of the motoring scene while apparently ignoring or being oblivious to the positive contribution to road safety which it provides.

D. R. Hore.
66 Fouracre Crescent,
Downend, Bristol.

People are proud of their towns

From Mrs V. Roseblade

Sir,—I refer to an item in column one of your paper of August 23.

The residents of the town (not "village") of Tetbury do not refer to their town as "Tatbury" because there is not "a proliferation of shops selling souvenirs" — "overpriced," "tasteless," or otherwise. This myth appeared in a largely inaccurate article in one of the less reputable Sunday papers.

Tetbury is a delightful town, and we are pleased that the Prince and Princess of Wales have chosen to live here—and we wish that the Press would either leave us alone, or get their facts right!

(Mrs) Valerie D. Roseblade.
27, New Church Street,
Tetbury, Glos.

You can't have your cake and . . .

From Mr J. Macfarlane

Sir,—The present clamour for reflation makes little allowance for what must be the policymaker's most worrying inhibition—our country's propensity to import.

With probably thousands of others, I have recently encountered a tiny but revealing example. I have been invited to buy a Christmas cake, baked "personally for me" (what else?), gift-boxed and shipped prepaid—from Texas. An accompanying list of past international customers for this delicacy shows Canada taking 4,600, Australia 2,300, West Germany 1,400, and France 953. And the UK? 20,082.

Out of interest we inquired comparative prices of the two most obvious—and much more world famous—British competitors. Neither had lists ready and all records of last year's were not to hand.

A tiny example. Of rather greater importance would be your recent report that the UK is the healthiest market at this moment for video recorders—mainly made in Japan.

This country is not short of buyers so much as sellers. Jobs come from finding and satisfying customers — management's job one would have thought. Would the CBI comment?

James Macfarlane.
C & K Consulting Group,
1, New Bond Street, W1.

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UK COMPANY NEWS

Sun Alliance profits slump by £31m midway

SOARING UNDERWRITING losses in the first half of 1982—up from £8.6m to £49.9m—is reported by the Sun Alliance Insurance Group.

Despite a 21 per cent growth in investment income from £46.6m to £58.4m and a rise in long-term profits from £2.8m to £3.2m, pre-tax profits over the period were cut by threequarters from £41.1m to £10.1m.

Even though there was a very much lower tax charge of £2.4m, against last year's £17.8m, the profit attributable was cut by two-thirds from £23.2m to £7.7m. Earnings per share fell from 47.1p to 15.6p.

An unchanged interim dividend of 19.5p has been declared by the group.

General insurance premium income increased by 9.5 per cent over the period from £354.8m to £388.4m, the underlying growth rate being 6.6 per cent.

Business in the UK, the group's main operating territory, shows an underwriting turnround from a profit of £9.1m to a loss of £19.3m this year on premium income up by less than 5 per cent.

The severe winter weather in the early months of this year cost the group £16.5m, largely on its householders account, where it is the largest insurer in the UK. The group also paid out £10m on the bad weather last December.

But the group, like all other UK composites, is suffering from severe competition for UK commercial insurance business. Premium growth in this sector showed a fall of 2 per cent and besides suffering from a rising expense ratio, the group was hit by heavier fire losses.

Experience deteriorated in the liability, engineering and motor accounts, the group being caught up in the keen competition for motor business.

Underwriting losses in the U.S. also soared from £1.8m to £8.6m, the group being hit by the need to strengthen its reserves by £5.6m for claims against medical practitioners.

Sun Alliance's involvement in the Manville asbestosis claims is peripheral, arising through insuring Manville's Canadian mining company.

The group also saw underwriting losses continue to soar in Canada from £2.2m to £4.3m, unlike most other UK composites where the Canadian losses are being reduced.

Sun Alliance saw some improvement in its automobile business, but this was offset by an increase in large fire losses and a general deterioration in property experience.

Remedial measures in Australia had considerably reduced losses from workers' compensation business, but otherwise conditions remained difficult. Overall losses were reduced significantly from £5.9m to £3.8m.

In Europe, results generally worsened and all major territories had underwriting losses which overall amounted to £5.9m against £1.6m.

Reinsurance losses also soared from £1.5m to £5.9m, reflecting the adverse trends worldwide in reinsurance.

See Lex

Halftime shortfall at Phoenix

DOUBLE underwriting losses, from £13m to £27.3m, and pre-tax profits cut by more than half, from £16.9m to £7.7m, are reported by Phoenix Assurance for the first half of 1982.

Investment income showed a 17 per cent rise from £28.7m to £33.5m, while long-term profits rose from £2.4m to £2.8m.

Despite a lower tax charge of £2.9m against £7.2m, net profit was also reduced by more than half from £8.4m to £3.2m, the earnings per share falling from 13.9p to 5.2p.

The interim dividend remains unchanged at 7.3p.

Underwriting losses in the UK and the Republic of Ireland amounted to £13.8m, of which more than £8m arose from the severe winter weather at the beginning of the year and £1.4m from the poor experience in Ireland.

A profit of £800,000 was earned in the second quarter on the group's important motor account, but this was still showing losses at the half year stage. The householders account, in addition to the weather losses, continues to suffer from the rising costs of the thefts and a complete re-rating of the high risks Inner City areas has been undertaken.

High catastrophe losses in the U.S. were mainly responsible for underwriting losses rising from £4.5m to £6.6m with the operating ratio climbing from 109.8 per cent to 113.2 per cent.

Canada recorded an underwriting surplus in the second quarter, the first for two years. Premium growth was in excess of 20 per cent and the outlook is more encouraging than for some time.

Results in Europe were generally poor, having also been affected by the severe winter weather, particularly in Denmark.

● **comment**

The half-time results of Phoenix Assurance are overshadowed by the severe winter weather in the UK early in the year and this is going to dominate the full 1982 figures. But the company's business is also affected by the soft commercial market in the UK and general deteriorating conditions in the U.S. and the Republic of Ireland, which are only partially offset by an improving trend in Canada. The company cannot be expected to make up lost ground in the second half of the year. The growth in investment income is likely to decelerate due to lower interest rates and flat cash flow. The figures were much as expected, the share price finishing 2p higher at 264p to yield 9.1 per cent on an unchanged dividend.

Downturn at Elys

For the six months to July 31, 1982 pre-tax profits of Elys (Wimbledon), the department store operator, fell from £22,455 to £15,311. The net interim dividend is held at 1p. Last year a total 5.85p was paid when profits reached £346,000.

First half turnover showed an improvement from £3.06m to £3.36m. Tax took £7,962 (£11,677), the attributable balance was £7,349 (£10,778) and earnings per 25p share turned in at 0.612p (0.898p).

GRE steady after £40m underwriting losses

A MARGINAL decline in both pre-tax profits and the profit available to ordinary shareholders at the half-year stage is reported by Guardian Royal Exchange Assurance, despite a near doubling in underwriting losses over the period from £21.8m to £40.4m.

This was offset by the strong growth in net investment income, which rose one-third from £53.7m to £71.4m, thanks to a £5m of extra income from last year's rights issue. The underlying growth in investment income adjusted for this rights issue and allowing for exchange rate fluctuations was about 20 per cent.

There was a slight increase in long-term profits from £4.4m to £4.7m, so that pre-tax profits over the half-year were only 2 per cent down at £35.7m against £36.3m. The tax charge was slightly lower at £13.7m against £14.3m, but preference dividends and minority interests were up from £1m to £1.4m. Thus profits available to ordinary shareholders dropped from £21m to £20.6m. The earnings per share fell from 15.9p to 15.1p.

The interim dividend is increased slightly from 6.75p to 7p covered 2.9 times. Mr Peter Dugdale, chief executive of GRE, said that the board had considered at some length the question of the increase in the interim but came to the conclusion that it was inappropriate to overdistribute at the interim stage and the main increase should come at the final payment when the full year's results are known.

Premium income over the period rose by 7.7 per cent from £445.2m to £479.3m, the underlying growth being 6 per cent. The solvency margin at the end of June was 64 per cent.

Underwriting losses in the UK, the main operating territory, leapt from £1.4m last year to £20.7m, on premium income up by just 6 per cent. The severe winter weather cost the group £16m this year, to which should be added the £5.7m paid out in December last year. But the group is also suffering from the increasing competitiveness on commercial business, where premium growth was nil over the period because the group is not seeking to retain business on inadequate premiums.

The group U.S. business moved into an underwriting loss during the period recording a deficit of £2m against a profit of £1.7m last year. The operating ratio was 105.9 per cent, a figure that Mr Dugdale considers satisfactory when compared with the industry average in the U.S.

The exceptional losses suffered last year in France and South Africa were not repeated and business has improved in those countries. Business in Australia is coming right at last, but there is still a struggle in Canada, where the group has lost 30 per cent of its business in real terms.

See Lex

Diploma boosted by good second half

SECOND-HALF pre-tax profits of Diploma, industrial distribution, manufacturing, engineering concern, expanded from £2.45m to £4.07m and left the full year figure ahead at £6.68m to June 30 1982, compared with a previous £5.19m. Turnover for the 12 months rose from £47.24m to £48.55m.

And from earnings per 10p share of 13.8p (10.8p) the dividend is stepped up by 20 per cent to 4.6p (3.8p) net with a final distribution of 3.4p.

A divisional analysis of profits shows: industrial distribution £3.73m (£3.34m); manufacturing and engineering £2.38m (£1.56m); services £192,000 (£422,000). Head office expenses and interest credited £375,000 (£126,000 debit).

The directors say that "pride of place" in the group's overall improvement belonged to two steel companies of the manufacturing division, Henry Whitham and I. G. Lintels, both of which doubled their profits to £1.65m and £650,000 respectively.

Caution is necessary, the directors say, however, in assessing expectations for the current year, as most market places continue to be in recession. Although prospects for electronics remain attractive for the medium term, the short term "are not encouraging."

Prospects for further growth on the special steel side is limited through worsening expectations from engineering and a decline in capital expenditure within the oil industry, they state.

Tax charge for the year took £2.37m (£2.14m), and after minorities, £224,000 (£253,000), extraordinary credits, £254,000 (£738,000) and dividends of £1.19m, against £978,000, the retained balance was £2.66m, compared with £2.56m.

On a current cost basis the pre-tax figure is reduced to £5.58m (£4.75m).

● **comment**

Diploma's directors remain as sceptical as ever about the strengths of the group's underlying markets but the figures belie their caution. After a small setback at the interim stage, following a severe downturn in the closing months of 1980-81, Diploma has managed to jack second half profits back up to over £4m—way ahead of market expectations. The surprise was the strength of the manufacturing side where profits jumped by over 50 per cent. Now the market is talking in terms of £8m or so for this year on the back of firmer component prices. Texas and Motorola, for example, are both raising list prices this month. A yield of 2.2 per cent and historic fully taxed p/e of 25 at 297p is hardly a giveaway price but that is the sort of rating to expect for electronic component companies and Diploma is one of the more favoured in the exclusive band of quoted distributors.

Year-end profit down at Heelamat

TAXABLE PROFITS of Heelamat Holdings in the year to May 1, 1982 were substantially reduced from £606,000 to £382,000, while turnover advanced from £4.35m to £4.82m. The directors are recommending a final net dividend of 3.6p per 10p share, maintaining the payout for the year at 5.6p.

Tax takes £19,000 (£111,000) and there is an extraordinary debit of £227,000 (£74,000), being goodwill written off. Earnings per share of this heel bar operator before extraordinary items are slated at 12.8p (20p restated), and at 6.8p (10p restated) diluted.

The company says that the fall in pre-tax profits resulted from adverse weather conditions and industrial disputes on British Rail and London Transport, which have continued well into the current year.

Many of the company's higher volume units are at London mainline or Underground stations and are almost entirely dependent on commuters.

● **comment**

It is companies like Heelamat that give the USM a bad name. Less than two years ago, the founders sold off nearly half the shares at 82p. Ten months later, the company was asking shareholders for £½m by way of a rights issue pitched at 90p, the chairman and his wife electing to take up only 10 per cent of their entitlement in the rights. By February, the company was in decline, announcing interim results which fell far short of expectations. The shares have lost half their value since the beginning of the year and not a few Heelamat supporters have been wiping egg off their faces. The company says rotten weather and rail strikes have badly hit their volume, but sales have increased by more than 10 per cent in the year. On a per unit basis, sales have slipped by only 2 per cent. Even if all of this came off the bottom line, then about £120,000 of the profit decline is from higher costs. Shareholders deserve better. The shares took on 6p yesterday and at 63p the yield is more than 13 per cent.

Rea Bros. marginally lower

MARGINALLY lower profits for the six months to June 30 1982 have been produced by Rea Brothers, merchant banker, compared with the corresponding half year, according to the directors.

The net interim dividend per 25p share has been effectively raised from 0.4393p to 0.45p. In the last full year an adjusted total of 1.2121p was paid from net profits of £825,000 and the chairman said that the results showed a satisfactory improvement in a difficult economic climate.

D. Crouch drops sharply to £0.4m: interim held

PROFITS OF Derek Crouch dropped sharply at the pre-tax level from £1.23m to £414,000 for the first half of 1982 despite turnover remaining virtually static at £28.77m, compared with £28.12m previously — the group has interests in opencast mining, earth moving, civil engineering and building construction.

Stated earnings per 20p share fell by 2.68p to 1.68p, but the net interim dividend is being held at 1.63p—a final of 3.42p was paid for 1981 from pre-tax profits of £2.47m.

In his statement in April, Mr D. C. Crouch, the chairman, warned that while it was too early in the year to make a forecast he anticipated a downturn in profits in 1982. However, he added that cash flow was such that the dividend for the year would at least be maintained.

He pointed out that the group intended to concentrate on developing existing businesses and revealed that a new coal plant and a 12-yard dragline had been ordered in the U.S. to be operational in October with a substantial effect on profits expected in 1983.

The interim report says that the soft market in the U.S. affected the company's sales of coal, but the introduction of a new £1.75m washing plant, due to be commissioned later this month, will upgrade the product quality and ensure improved outlets for the future.

● **comment**

Soaring losses by construction and equipment distribution subsidiaries have left Derek Crouch reeling. Fortunately, with the large funding debt for the U.S. venture substantially reduced, Power Inc. was able to swing out of the red to a small profit. But after four years the group is still awaiting an upturn in energy demand to bring this opencast mining operation to life. Overall, with the June 1981 £4.4m rights issue money still mainly unspent, the gearing is down from the 53 per cent seen at year-end but financing the new NCB contract could push it up again. Even so the half-time interest costs suffered on conversion of the dollar element. Unless construction business in the UK shows a sharp pick up soon the group will be struggling to more than repeat the profit of the first six months in the second half. Yesterday the shares remained unchanged at 112p—less than half of last year's peak of 245p—yielding 6.5 per cent.

U. U. Textiles trims loss and calls for £0.54m

BY CARLA RAPOPORT

U.U. Textiles, the troubled garment manufacturer, has announced plans for a one-for-one rights issue at 25p to raise £538,000. At the same time, the company has reported a reduced pre-tax loss of £66,000 for the year ended last July, against £75,000 previously.

The rights issue is the brainchild of Mr S. J. Wootliff, who became chairman of the company in July and is the fourth person to occupy that seat in three years. At the time of his appointment, he bought 25 per cent of the company's shares. From a low of 12p earlier in the year, the 25p shares have climbed steadily since Mr Wootliff joined the board. They closed yesterday unchanged at 32p.

The rights issue has been underwritten by African Finance Corporation UK, the British subsidiary of a privately-held South African company which engages in institutional fund management. The U.U. deal is the first of its kind for the UK group.

In a pro forma balance sheet adjusted for the proceeds of the rights issue, the company's bank borrowings have been eliminated. The company's net worth is just over £1m, after a £954,000 accumulated loss.

The profit and loss statement issued yesterday shows that turnover fell marginally to £4.08m from £4.17m in the year. Finance costs of £74,000 pushed the £8,000 trading profit into the £66,000 pre-tax loss. Last year's finance costs were £80,000. Tax took only £1,000, but a £48,000 extraordinary charge (£67,000 last year) meant that the loss per share was 3.04p, against 3.43p last year. For the seventh year in a row, no dividend is proposed.

Mr Wootliff said yesterday that trading has improved "marginally" since the year end. "We live in uncertain times," said Mr Wootliff, but claimed that the company should be capable of producing a "modest profit" in the current year. The company has been in loss for all but two years since 1975.

Mr Terry Bradshaw, an executive at African Finance, said yesterday that he was "hopeful" that shareholders could expect some pay-out in the current year. "We feel with a little punch and inspiration at the top, that the company's existing businesses will prosper. But Mr Wootliff is also expected to take the company into other businesses than textiles in the future."

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aim Group		3.85§	—	—	—	3.85
Babcock Intl	int	3.4	—	3.4	—	7
Derek Crouch	int	1.63	—	1.63	—	5.05
I. J. Dewhirst	int	0.35	Nov 26	0.3*	—	1.09*
Diploma		3.4	Oct 15	2.8	4.6	3.8
GRE	int	7	Jan 5	6.75	—	17.50
Heelamat†‡		3.6	—	—	5.6	5.6
Marchwiel	int	2.7	Oct 15	2.4	—	6.6
Parambe	int	0.3	—	0.25	—	0.7
Parkfield Foundries‡		0.53	—	0.53	0.88	0.88
Phoenix Assurance	int	7.3	Jan 4	7.3	—	16.8
Rea Brothers	int	0.45	Oct 8	0.44*	—	1.21*
Sun Alliance	int	19.5	Jan 5	19.5	—	43
H. Woodward & Son	int	0.5	Oct 15	0.5	—	2.2

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § In line with forecast in prospectus for official listing last March.

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the Issue designated

9¼% Sinking Fund Debentures Series BQ due October 1, 1985 (herein called "Debentures") of the

HYDRO-QUEBEC

PUBLIC NOTICE IS HEREBY GIVEN that the Hydro-Quebec intends to and will redeem for SINKING FUND PURPOSES on October 1, 1982 pursuant to the provisions of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% of the principal amount plus accrued interest to the redemption date, namely:

Debentures bearing the Prefix BQ:

15	742	1385	2734	3572	4452	5379	6234	7125	8019	8844	9664	10692	11571	12469	13380	14240
41	750	1619	2744	3577	4469	5383	6240	7131	8030	8847	9669	10700	11580	12472	13384	14259
44	759	1650	2767	3584	4479	5386	6255	7145	8039	8971	8929	10713	11593	12477	13389	14264
72	762	1664	2775	2596	4490	5290	6260	7158	8045	8973	9935	10721	11604	12491	13392	14270
86	774	1683	2786	3602	4499	5392	6271	7171	8053	8983	9939	10739	11613	12503	13399	14294
96	778	1702	2794	3615	4505	5397	6284	7184	8070	8985	9941	10752	11622	12514	12403	14299
111	791	1746	2802	3622	4517	5407	6293	7189	8079	8987	9943	10749	11635	12525	12414	14305
120	794	1765	2807	3634	4533	5419	6304	7195	8090	8992	9950	10753	11644	12537	13420	14314
132	803	1791	2812	3646	4540	5425	6312	7212	8098	8995	9954	10766	11656	12544	12429	14326
136	816	1811	2823	2653	4550	5436	6340	7228	8105	9000	9956	10775	11661	12557	13447	14338
140	825	1829	2323	3662	4555	5445	9343	7225	8112	9006	9958	10784	11673	12569	13450	14345
144	836	1868	2541	3673	4567	5462	6352	7243	8123	9017	9965	10797	11680	12578	13461	14352
162	840	1893	2850	3680	4580	5471	6360	7248	8121	9020	9973	10805	11695	12591	13477	14366
167	847	1902	2854	3691	4586	5487	9293	7253	8142	9053	9983	10816	11706	12600	13486	14372
175	858	1948	2860	3765	4594	5490	6273	7260	8156	9061	9986	10831	11717	12608	13488	14386
210	867	1955	2875	3714	4603	5500	6382	7271	8168	9069	9989	10839	11729	12615	13525	14398
215	875	1962	2883	3726	4614	5503	6891	7279	8179	9072	9991	10845	11737	12627	13530	14403
[illegible]																
608	1326	2460	3357	4246	6138	6023	6917	7855	8710	9558	10473	11362	12262	13270	14033	14910
613	1341	2467	3365	4262	5143	6035	6924	7868	8713	9563	10482	11371	12266	13292	14049	14913
616	1365	2474	3377	4264	5152	6044	6929	7897	8718	9567	10500	11382	12271	13295	14058	14930
625	1370	2485	2398	4275	5173	6055	6943	7905	8724	9571	10505	11395	12279	13302	14065	14955
634	1382	2506	3400	4284	5179	6068	6953	7910	8733	9575	10519	11403	12293	13309	14090	14968
638	1388	2512	3407	4297	5192	6076	9967	7916	8742	9580	10527	11411	12305	13314	14095	14975
645	1395	2518	3418	4306	5199	6097	6979	7921	8754	9587	10536	11421	12317	13318	14097	14991
650	1407	2527	3425	4317	5202	6090	6985	7932	8759	9594	10547	11472	12324	13321	14105	14995
659	1414	2540	3440	4328	5274	6108	6991	7938	8768	9600	10562	11474	12333	13320	14109	
662	1421	2554	3453	4342	5226	6121	7007	7941	8782	9603	10575	11478	12345	13335	14114	
668	1442	2573	3462	4349	5235	6136	7013	7949	8795	9609	10582	11506	12355	13343	14129	
671	1453	2589	3470	4354	5250	6169	7032	7950	8797	9613	10593	11510	12367	13345	14137	
678	1458	2592	3481	4362	5256	6174	7045	7964	8806	9618	10599	11513	12373	13347	14154	
686	1466	2599	3488	4370	5267	6178	7050	7961	8810	9641	10604	11516	12383	13348	14165	
694	1478	2627	3497	4381	5279	9136	7064	7965	6813	9644	10615	11534	12392	13352	14170	
702	1461	2629	3508	4400	5302	6189	7076	7969	8817	9647	10623	11536	12411	13358	14179	
709	1514	2656	3517	4409	5316	6193	7095	7978	8820	9650	10631	11545	12416	13364	14181	
713	1521	2698	3625	4420	5373	6198	7091	7988	8824	9654	10644	11548	12424	13367	14202	
725	1528	2710	3674	4426	5342	6204	7104	7994	8828	9656	10659	11553	12437	13370	14215	
730	1544	2715	2549	4435	9371	6210	7112	7998	2830	9659	10671	11558	12442	12272	14220	
739	1563	2722	3595	4448	5373	6222	7120	8005	8836	9661	10684	11566	12457	13377	14233	

Debentures to be so redeemed, will become due and payable in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts in said United States of America, at the office of the Paying Agent, Bank of Montreal Trust Company in the Borough of Manhattan City and State of New York, United States of America or at any of the offices of the following Paying Agents: Bank of Montreal (Main Office) in the City of Montreal, Canada, Bank of Montreal in London, England, S. G. Warburg & Co. Limited in London, England, Kredietbank N.V. in Brussels, Belgium, the main offices of Commerzbank Aktiengesellschaft and Westdeutsche Landesbank Girozentrale in Dusseldorf, Federal Republic of Germany, Commerzbank Aktiengesellschaft in Frankfurt, Federal Republic of Germany, Kredietbank S.A., Luxembourgeoise in Luxembourg, Grand Duchy of Luxembourg and Banque Francaise de Depots et de Titres, Paris, France, upon presentation and surrender of Debentures bearing the above numbers with all coupons maturing after October 1, 1982 attached.

From and after October 1, 1982, interest on the debentures to be so redeemed will cease and interest coupons maturing subsequent to that date will be void.

Dated at Montreal
This 31st Day of August 1982.

HYDRO-QUÉBEC
Pierre Bolduc,
Treasurer

Forward Trust
DEPOSIT RATES

Depositors are advised that with effect from September 31st 1982 the following rates will apply to deposit accounts with Forward Trust Limited.

Notice of withdrawals:	1 month	3 months	6 months	12 months
Deposits of £1–£50,000	9.75%	10.00%	10.25%	10.50%

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1981-82 High	Low	Company	Price	Change	Gross Yield div. (p)	%	P/E Actual	P/E Fully taxed
128	100	Ass. Brit. Ind. Ord.	128	—	6.4	5.0	11.9	14.4
139	100	Ass. Brit. Ind. CULS.	138	—	10.0	7.2	—	—
75	62	Airsprung Group	70	—	9.1	8.7	8.0	13.7
51	33	Armitage & Rhodes	44	—	4.3	9.8	3.7	8.3
[illegible]	187	Bardon Hill	275	−1	11.4	4.9	9.3	12.4
117	100	CCL 11pc Conv. Pref.	117	−1	15.7	13.4	—	—
275	240	Cindico Group	265	—	26.4	10.0	10.7	12.0
104	80	Deborah Services	73	—	6.0	8.2	5.1	7.4
156	97	Frank Horsell	135	—	7.9	5.9	5.7	8.1
85	39	Frederick Parker	71	—	8.4	9.0	3.8	8.9
78	46	George Blair	53	—	—	—	—	—
102	93	Ind. Precision Castings	98	—	7.3	7.4	7.1	10.7
130	100	Isis Conv. Pref.	120	+1	15.7	13.1	—	—
114	94	Jackson Group	114	—	7.5	6.9	3.5	7.3
136	108	James Burrough	136	—	9.6	7.1	9.9	11.1
234	195	Robert Jenkins	194	—	20.0	10.3	2.1	30.8
83	61	Scruttons "A"	83	—	5.7	6.9	10.8	13.0
222	150	Torday & Carlisle	152	+2	11.4	7.5	8.8	11.7
44	27	Unilock Holdings	27	—	0.46	2.2	—	—
103	72	Walter Alexander	84	—	6.4	7.6	9.0	8.7
263	212	W. S. Yeates	248	—	14.5	5.8	6.5	13.0

Prices now available on Prestel page 48146.

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Phoenix Assurance plc

Interim Statement

ESTIMATED RESULTS TO 30th JUNE 1982

The following are the estimated and unaudited results of the Phoenix group of companies for the six months ended 30th June 1982 with the comparative figures for the corresponding period in 1981. Also shown are the abridged results for the year 1981, for which full accounts including an unqualified auditors' report have been filed with the registrar of companies.

	6 months to 30.6.82 £m	6 months to 30.6.81 £m	Year 1981 £m
Net premiums written: General (fire, accident, marine and aviation)	235.0	219.0	432.2
Investment income	33.5	28.7	61.3
Underwriting results:			
General	−27.3	−13.0	−35.4
Long-term	2.8	2.4	5.2
	9.0	18.1	31.1
Less expenses not charged to other accounts	1.3	1.2	1.0
Profit before taxation	7.7	16.9	30.1
Less: Taxation	2.9	7.2	10.9
Minority interests	1.6	1.3	2.6
Net profit	3.2	8.4	16.6
Earnings per share	5.2p	13.9p	27.4p

US dollar transactions are converted at the rate of $1.74 for the 6 months to 30th June 1982 ($1.94 for the 6 months 1981 and $1.91 for the year 1981).

GENERAL BUSINESS

World-wide general business premiums for the half year have increased by 7.3% in sterling terms, approximately 5% after adjustment for currency fluctuations.

Investment income has gone ahead by 16.7% in sterling—approximately 17% in original currencies.

The United Kingdom underwriting (ex marine and aviation) is showing a loss at 30th June of £13.8 million of which more than £6.0 million was the extra cost of the unusually severe winter weather. The second quarter's trading saw an intensification in competition with few signs of any real opportunity for new business in the present economic climate. Against this background a second-quarter profit in the motor account is pleasing. Selective rating increases have been applied to counter the impact of burglary claims in the high-risk urban areas which have contributed to losses on the householders account.

The United States operating ratio was 113.2 compared with 109.8 for the corresponding period of 1981 and 110.7 for the first quarter. The underwriting loss is £6.6 million (1981 £4.5 million). The United States has experienced a high level of catastrophe losses. Measures have been taken to reduce expenses and to encourage selective growth aimed at an improvement in underwriting results.

In Canada premium growth was in excess of 20% and an underwriting profit was earned in the second quarter. The outlook is more encouraging than for some time past.

In Europe also the results have suffered from the winter weather, particularly in Denmark. Elsewhere some improvement is evident in the profitability of reinsurance acceptances from associated companies world-wide, and of the Continental/Phoenix International Division's important multi-national account. In New Zealand, South Africa and a number of smaller overseas territories the current trading climate is better.

LONG-TERM INSURANCE

New long-term business world-wide has continued to show good growth to 30th June.

	6 months to 30.6.82 £m	6 months to 30.6.81 £m	Year 1981 £m
Sums assured	1,771.3	1,460.9	2,964.0
Annuities per annum	9.1	10.2	33.0
Annual premiums	13.6	12.8	27.1
Single premiums	19.0	14.9	24.6

DIVIDEND

The directors have declared an interim dividend of 7.3p (1981 7.3p) per share which will be paid on 4th January 1983 to members on the register at the close of business on 26th November 1982. The cost of the dividend is £4.5 million (1981 £4.4 million).

1st September 1982

BIDS AND DEALS

UK COMPANY NEWS

Fisons buys Australian distribution business

PHARMACEUTICALS and scientific equipment manufacturer Fisons is to acquire the medical and equipment distribution business of Watson Victor in Australia and New Zealand from Nicholas Kiwi for £2.8m.

This forms part of Fison's plans to develop its scientific equipment division, which already operates in nine countries.

Watson Victor will be merged with Fisons' existing Australian subsidiary, Townson & Mercer. The new company, with combined sales of £14m, will become the leading supplier of scientific instruments in Australasia.

The product ranges of Watson Victor and Townson & Mercer are complementary and the increased scale of operation will enable the merged business to trade more efficiently through the elimination of duplicated systems of distribution, Fisons says.

In February the company acquired Morgal Scientific (Singapore) Pte.

MOSS ENGINEERING OFFSHOOTS SOLD

The businesses of Stevens and Bullivant and Automatic Dryers have been sold by Alastair Jones and Tim Brookes, partners in chartered accountants Peat, Marwick, Mitchell and Co., in their capacity as receivers and managers of those companies. Both companies were subsidiaries of Moss Engineering Group.

The purchaser is Birmingham Box (Holdings) and it is intended to continue the business at its present site in Western Road, Birmingham under existing management.

Lesney Products offshoot bought out by management

BY CHARLES BATCHELOR

Lesney Industries, the diecastings and plastic mouldings subsidiary of toy-makers Lesney Products, has been bought out by five members of its management.

Lesney Products went into receivership on June 11 in the face of a worsening cash shortage and bank borrowings which had risen to more than £20m.

Mr Ron Perryman, managing director of Lesney Industries, said the management team had the backing of Moracrest Investments, which had taken a 30 per cent stake in the company's equity.

Moracrest is owned by Midland Bank, which will also provide working capital to the new company, British Gas Central Pension Fund and Prudential Assurance.

Mr Perryman declined to reveal the price of the buy-out.

Mr Guy Parsons, the joint receiver, of accountants Peat, Marwick, Mitchell, said it was not a large sum, but it was "satisfactory in the circumstances."

Lesney Industries will continue to employ 87 of the original 93-strong workforce at its factory in Hackney, East London. The new company will retain the former company name.

Meanwhile, the receivers are continuing negotiations with three groups—two from the U.S. and one from Hong Kong—about the sale of the much larger Matchbox Toys operation, employing 2,800 people.

"We are getting to the final stages of discussions, though it is taking slightly longer than we thought," said Mr Parsons. "I am hopeful of reaching agreement within the next couple of weeks."

The receivers have eliminated two companies—one American, one French—from their discussions in the past few weeks. They hope to sell Lesney's UK and overseas operations as a package.

Trading in the toy-making division is continuing at a very satisfactory level and the company is working full-out for the Christmas trade, Mr Parsons said.

Mixconcrete rejects higher Pioneer offer

THE BOARDROOM split at Mixconcrete (Holdings) widened yesterday with the resignation of Mr James Mackaness, one of the company's non-executive directors.

The other board members asked Mr Mackaness to step down after his decision to support a revised £16.7m bid for Mixconcrete by Pioneer Concrete (Holdings), the company said. The board is maintaining its rejection of the offer.

Mr Mackaness accepted Pioneer's offer in respect of the 1.047m shares held by Central Market (Pershore) Holdings of which he is chairman although he has not sold the 3,000-4,000 shares he owns personally.

Pioneer's total holding in Mixconcrete represented 18.3 per cent of the equity yesterday compared with 16.3 per cent on Tuesday.

It first offered 155p for each Mixconcrete share on July 15, putting a £14.4m value on the company, but on Tuesday announced it had increased its offer to 180p per share or £16.7m.

The directors of Mixconcrete, except for Mr James Mackaness, and their financial advisers, Samuel Montagu, are unanimous in rejecting the increased offer as they consider the asset revaluation now being completed will show a figure substantially in excess of the increased offer price, the company and its bankers said yesterday.

The company's share price fell 1p yesterday to 181p.

U.S. expansion by Rugby Portland

Rugby Portland Cement has purchased a one-third interest in Signal Cement Company at a cost of some U.S.$4m.

Signal was recently formed in conjunction with Ifint S.A. to acquire the assets of Signal Mountain Cement Company which operates a two kiln, 450,000 tons a year, coal-fired wet process cement plant in Tenessee, U.S.

Signal Cement shares, previously owned by Genral Portland Inc, will be held as to one-third by Rugby and, for the present, two-thirds by Ifint S.A.

Ifint S.A. is an associate of Instituto Finanziario Industriale SpA of Turin, of which the Agnelli and Nasi families are the main shareholders.

MHL agrees Lifeguard bid worth £7.1m

Multiple Health and Life Assurance Company (MHL) yesterday announced an agreed bid for Lifeguard Assurance valuing the company at £7.1m.

MHL will offer 950p cash for each Lifeguard share it does not already own. It holds 36,412 shares or 4.85 per cent of the issued capital.

Lifeguard's directors have recommended acceptance and undertaken to accept in respect of their own holding of more than 341,000 shares, representing more than 50 per cent of issued capital.

MHL transacts both general and life business. The whole of its preferred and deferred shares and 90 per cent of its ordinary shares are owned by members of the Wates building group family.

Lifeguard announced a fall in income in the year ended June 30, 1981 to £8.75m from £9.58m although this had been expected since the company ceased writing new business in 1975. Claims payments and expenses also fell—to £8.55m from £9.34m.

Lifeguard's shares, which are traded under rule 163(2) were suspended on Tuesday at 407p.

W. CANNING/ ELGA PRODUCTS

W. Canning has reached an agreement with Elga Products which has enabled Elga to buy back Canning's holding of its shares. Consideration payable by Elga is £220,000, which represents the value of the shares in Canning's books.

Bairstow Eves: R. F. Pridmore, a director, has reduced his holding by 10,000 shares to 660,000. D. James, director, has reduced his holding by 10,000 shares to 490,000. M. S. Lambert, director, has reduced his holding by 10,000 shares to 450,000. J. H. W. Pooley, director, has reduced his holding by 40,000 shares to 370,000.

Carless, Capel and Leonard: John T. Leonard, director, has disposed of 49,210 shares reducing his total holding to 928,768 (1.5 per cent).

Alfred Walker: Morgan Grenfell special exempt fund has become interested in 345,000 ordinary shares (19.7 per cent of ordinary shares).

WARD WHITE GROUP/ HOFHEIMER'S INC.

Ward White Group has announced that the resolution to approve the acquisition of Hofheimer's Incorporated was duly passed at the company's extra-ordinary meeting.

All other conditions have also been satisfied and the acquisition is therefore complete.

ICFC BACKS TV VENTURE

A new television film production company has been formed by a group of leading television producer/directors with substantial backing from Industrial and Commercial Finance Corporation (ICFC) and other prominent institutions including the Post Office Pension Fund and Basildon Fund.

Called Linked Ring Television Film Productions the company—which is capitalised to about £1m—will make films for the fast growing video and cable television markets in the UK and overseas.

BOC INTERNATIONAL

Guardian Industries Corporation has signed a definitive agreement to purchase a reflective glass facility in Michigan from BOC International's Airco Inc. unit for undisclosed terms.

The facility is adjacent to Guardian's float glass manufacturing plant in Michigan.

Guardian also said it has acquired the technology associated with the production process as part of the agreement.

ENSECOTE SALE

The Ensecote (Holdings) Group of Sheffield has sold Ensecote Lithgow (formerly James Lithgow UK) of Buckley, Clwyd to the Säkaphen group of companies with headquarters at Gladbeck, West Germany.

The company will be renamed Lithgow Saekaphen and will carry on its business of application of Lithgow and Säkaphen corrosion protection coatings and linings.

FERGUSON

Ferguson Industrial Holdings has sold its 50 per cent shareholding in Glasgow Iron and Steel Co. to the other 50 per cent shareholder, Lithgows (Holdings) for £450,000 cash.

AGB Research has agreed the purchase of a majority interest in a survey research group which is the largest market research organisation in South East Asia.

FERRANTI

Ferranti has confirmed that the agreement announced last June with Ocean Research Equipment Inc. of Massachusetts has been finalised. Following completion on August 30 1982 Ferranti acquired the assets of Ocean, including its principal subsidiary, ORE Inc. and its 29.9 per cent shareholding in ORE, a UK associate.

ORE Inc makes underwater acoustic equipment. The acquisition strengthens Ferranti interests in the U.S. ORE activity and products will be integrated with Ferranti Offshore Systems, the Aberdeen-based Ferranti subsidiary specialising in offshore work.

CONTROL SECS.

Holders of Control Securities convertible unsecured loan stock have exercised their rights to convert to ordinary shares. This means a further 2.00m shares will be issued.

Marchwiel boosts profits and lifts payout midway

DESPITE a decline in group turnover from £104.29m to £100.45m, pre-tax profits of Marchwiel advanced from £3.84m to £4.32m in the six months to April 30 1982. However, last year's figure included a non-recurring profit of £1.1m on the sale of an investment.

The directors are recommending a net interim dividend of 2.7p per 25p share, against last year's half-way payment of 2.4p. Last year a final of 4.2p was also paid, after pre-tax profits for the 12 months of £10.38m.

Earnings per share at midway are stated at 7.2p, up from 6.4p previously. Tax took £1.73m (£1.54m).

Marchwiel's building, civil engineering and public works contracting interests include the Sir Alfred McAlpine & Son companies. Mr A. J. McAlpine, group chairman, says that trading in the UK again had to contend with difficult conditions and low prices, but site economies and increased productivity have led to an improvement in margins.

"In general, trading overseas has been profitable although losses have been incurred in Portugal where until recently our companies have been successful. Unfortunately the depressed economy there has resulted in late payments which have slowed down our operations," Mr McAlpine says.

"Taking into account the profits now reported for the interim period, the current workload in the United Kingdom and overseas and the margins that are being achieved, the board, unless unexpected trading conditions arise, look forward with confidence to the outcome for the full year," the chairman states.

● comment

Half-time progress by Marchwiel represented advances in both trading profits and investment income. This reversed the trend of the previous 12 months where gains — including a £1.7m non-recurring item—of some £7m on the non-trading side hid a decline in trading performance. A slimming of site work forces and more efficient use of plant, though slightly lengthening completion times, has benefited UK margins. The group believes it has made a breakthrough on its overseas business with the Nigerian contract—its first major overseas contract for two years. This is a project to build field hospitals and a large medical unit for which Balfour Beatty is the main contractor. Though the work may present physical problems the contract looks financially secure as it is being funded offshore. The setback in Portugal promises to be short lived with payments starting to come through. If the better trend overall is maintained further recovery to over £11m is indicated for the year. However the lack of sparkle in yesterday's figures left the shares slipping 9p from their 1982 high of 138p for a prospective p/e of around 9.

Akzo nv Registered Office at Arnhem

Report for the 1st half year 1982

Consolidated statement of income (in Hfl million)	2nd quarter 1982	2nd quarter 1981	1st half year 1982	1st half year 1981
Sales	3,591.7	3,683.4	7,301.7	7,196.6
Operating costs excluding depreciation	(3,323.9)	(3,391.6)	(6,776.9)	(6,687.6)
Depreciation	(133.7)	(131.2)	(264.0)	(254.1)
Operating income	134.1	140.6	260.8	254.9
Interest	(72.7)	(94.7)	(154.9)	(182.5)
Operating income less interest	61.4	45.9	105.9	72.4
Taxes on operating income less interest	(13.5)	(20.3)	(27.7)	(33.5)
Equity in earnings of non-consolidated companies	15.8	25.8	23.5	46.1
Extraordinary items	1.2	(1.8)	(3.9)	(7.3)
Group income	64.9	49.6	97.8	77.7
of which minority interest	(5.8)	(2.7)	(12.8)	(1.7)
Net income	59.1	46.9	85.0	76.0
Net income per common share of Hfl 20, in guilders	1.99	1.59	2.87	2.57
Common stock	591.9	591.9	591.9	591.9

Sales and results

In spite of a slight drop in sales, net income for the second quarter of 1982 was significantly higher at Hfl 59.1 million than the figure of Hfl 25.9 million achieved for the first quarter.

Sales in the first half of 1982 were fractionally higher than in the corresponding period of 1981: Hfl 7.3 billion versus Hfl 7.2 billion. Under pressure of the worldwide recession, volume sales fell 5% below the level of the first half of 1981. This was compensated by a rise in selling prices of approximately 6%.

Operating income for the first half of 1982 stood at Hfl 261 million, or Hfl 6 million higher than in the year-earlier period.

Interest expense was lower, mainly because of lower interest charges in Latin America. Equity in earnings of nonconsolidated companies was halved by a decline in the results of Cobafi, the Brazilian tire-yarn company, and of the methanol producing plants in the Netherlands.

Net income for the first half of the year increased Hfl 9 million to Hfl 85 million.

Shipments of *man-made fibers* were down substantially compared with the first half of last year, with American Enka particularly affected.

Even so, man-made fiber sales of Enka were up a little, due to the fact that lower shipments were compensated by higher selling prices. Enka reported some improvement in results for its man-made fibers, attributable in part to a more efficient cost structure. However, with some activities still producing losses, the returns from its fiber operations are still far from satisfactory. American Enka turned in a substantial loss for the first half of 1982.

For *chemical products*, shipments in the first half of 1982 were likewise distinctly lower than last year. The squeeze on results for a number of Akzo Zout Chemie's commodity chemicals increased, so that the loss situation of some products, including vinyl chloride monomer, was aggravated in the second quarter of 1982. Income from specialty chemicals was also down from the figure for the first half of 1981.

In the face of an adverse business climate, volume sales of *coatings* were maintained at the level of the first half of 1981, with income continuing satisfactory.

Pharmaceuticals achieved a further improvement in sales and income, one factor being the success of new products.

Consumer products recorded higher sales, partly attributable to an acquisition. Operating income was lower; a contributory cause to this decline was the high cost of launching new products.

Lower earnings for *miscellaneous products* compared with the previous year were caused by the Akzona divisions Brand-Rex, producers of electrical and electronic connector components and systems, and Armira, producers of leather.

Capital expenditures

Expenditures for property, plant and equipment in the first half of 1982 totaled Hfl 340 million, against Hfl 300 million in the corresponding period of 1981.

Balance sheet

The condensed consolidated balance sheet at June 30, 1982 printed below shows that Group equity increased Hfl 124 million in the first half of 1982.

Personnel

The number of employees fell by 1,500 in the first half of 1982 to 78,300; this decline is largely attributable to the implementation of rationalization and restructuring measures at Enka (British Enkalon).

The Board of Management

Arnhem, August 1982

The breakdown of sales and operating income by product group is as follows (in Hfl million):

	Sales 2nd quarter 1982	Sales 2nd quarter 1981	Sales 1st half year 1982	Sales 1st half year 1981	Operating income 2nd quarter 1982	Operating income 2nd quarter 1981	Operating income 1st half year 1982	Operating income 1st half year 1981
man-made fibers	1,133	1,226	2,304	2,354	20	2	25	(5)
chemical products	885	965	1,945	2,006	(3)	23	36	69
coatings	421	404	793	760	35	41	48	53
pharmaceuticals	398	377	796	749	58	38	111	75
consumer products	276	259	531	491	11	18	21	28
miscellaneous products	529	481	1,035	934	17	25	34	46
	3,642	3,712	7,404	7,294	138	147	275	266
Intra-Group deliveries	(50)	(48)	(102)	(97)				
non allocated costs					(4)	(6)	(14)	(11)
total	3,592	3,664	7,302	7,197	134	141	261	255

Consolidated balance sheet (condensed)

in Hfl million	June 30, 1982	Dec. 31, 1981
Property, plant and equipment	3,896	3,673
Investments in nonconsolidated companies and other noncurrent assets	437	486
Inventories	2,707	2,506
Short-term receivables and prepaid expenses	2,829	2,633
Cash and marketable securities	887	898
Total assets	10,756	10,196

	June 30, 1982	Dec. 31, 1981
Akzo N.V. stockholders' equity	2,546	2,449
Minority interest in Group equity	434	407
Group equity	2,980	2,856
Provisions	1,352	1,335
Long-term debt	2,879	2,790
Current liabilities	3,545	3,215
Total Group equity and liabilities	10,756	10,196
Stockholders' equity per common share of Hfl 20, in guilders	86.00	82.72

The principles of consolidation, valuation and determination of income are the same as used in preparing the 1981 financial statements. The positive inventory valuation differences arisen in the first half year of 1982, which where only modest compared with last year, will not be distributed over the whole year but are fully included in the results.

Copies of this report may be obtained from the London Paying Agent: Barclays Bank Limited, Securities Services Department 54, Lombard Street, London EC3P 3AH.

Interim Statement

The unaudited estimated results of Guardian Royal Exchange Assurance plc for the six months ended 30th June 1982 are as follows:

	First 6 months 1982 £m	First 6 months 1981 £m	Year 1981* £m
Investment Income	77.0	58.3	135.5
Less Interest Payable	5.6	4.6	9.8
	71.4	53.7	125.7
Underwriting Results			
Short-term (Fire, Accident and Marine)	(40.4)	(21.8)	(48.7)
Long-term	4.7	4.4	12.1
	(35.7)	(17.4)	(36.6)
Profit before taxation	35.7	36.3	89.1
Less Taxation	13.7	14.3	28.8
Profit after taxation	22.0	22.0	60.3
Less Preference dividend and Minority Interests	1.4	1.0	3.1
Profit after taxation available to Ordinary shareholders	20.6	21.0	57.2
Ordinary Dividend	11.0	10.6	27.5
Transferred to retained profits	9.6	10.4	29.7
Earnings per Ordinary share (after taxation)	13.1p	15.9p	39.5p

Results by Territories (before taxation)	First 6 months 1982 Net Premiums £m	First 6 months 1982 Underwriting Result £m	First 6 months 1982 Investment Income £m	First 6 months 1981 Net Premiums £m	First 6 months 1981 Underwriting Result £m	First 6 months 1981 Investment Income £m
Australia	24.3	(2.8)	4.0	17.9	(2.8)	2.5
Canada	33.7	(3.9)	5.1	34.6	(3.9)	4.1
France	8.6	(0.6)	1.1	7.9	(1.5)	1.1
Germany	76.1	(2.8)	7.5	70.4	(2.9)	6.5
South Africa	19.0	(0.2)	1.9	20.5	(0.8)	1.7
U.K.	197.3	(20.7)	35.5	185.8	(1.4)	23.9
U.S.A.	33.5	(2.0)	4.4	28.7	1.7	3.4
Miscellaneous	86.8	(7.4)	11.9	79.4	(10.2)	10.5
	479.3	(40.4)	71.4	445.2	(21.8)	53.7

The territorial results are stated after reinsurance protection from group companies including protection under the worldwide stop loss arrangements. The 'Miscellaneous' underwriting result includes this reinsurance in respect of the territories shown below:

	First 6 months 1982	First 6 months 1981
Australia	(0.8)	(3.5)
Canada	(1.3)	(1.7)
South Africa	0.5	(3.2)
Others	(1.1)	0.2
	(2.7)	(8.2)

Exchange Rates	30th June 1982	30th June 1981
Australia	1.69	1.69
Canada	2.22	2.30
France	11.88	11.08
Germany	4.29	4.65
South Africa	1.98	1.71
U.S.A.	1.72	1.94

Life New Business	First 6 months 1982 £m	First 6 months 1981 £m
New Sums Assured	2,775.1	2,229.0
New Annuities per annum	34.9	38.1
New Annual Premiums	21.5	20.7
New Single Premiums	34.8	12.7

The effect of exchange rate movements has been to increase net premiums by £8.7m, investment income by £1.7m and the short-term business underwriting loss by £1.1m. After allowing for the effect of exchange rate movements and income from the investment of proceeds of the rights issue in June 1981, the underlying growth in investment income was 20%. The underlying growth in premiums was 6%.

Recent short-term business underwriting results have shown an overall improvement on those for the early part of the year, but continue to reflect the extreme competition for business in the territories in which the Group operates. Compared with the first half of 1981 improved overall results have been achieved in all major territories apart from the United Kingdom and U.S.A. which were affected adversely by losses arising from the severe weather early in the year. The exceptional losses suffered last year in France and South Africa have not been repeated in 1982, but corrective action elsewhere is not yet fully reflected in the results.

Poor market conditions in the U.S.A. have delayed plans for more rapid expansion in that territory, but from July 1982 there was an increased participation in Guardian National in South Africa.

Dividend

An interim dividend in respect of the year 1982 will be paid on 5th January 1983 of 7p per share (1981—6.75p per share) which, with the tax credit available to eligible shareholders, is equivalent to 10p per share (1981—9.64p per share). This dividend will be paid to holders of Ordinary shares whose names appear on the register on 3rd December 1982.

*Extracted from the Company's full Accounts for the year 1981 which received an unqualified Auditors Report and which have been filed with the Registrar of Companies.

Guardian Royal Exchange Assurance

Royal Exchange London EC3V 3LS

NEW ISSUES September 1, 1982

FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION

$1,000,000,000
10.75% Debentures
Dated September 10, 1982 Due March 10, 1983
Series SM-1983-S Cusip No. 313586 ML 0
Non-Callable
Price 100%

$500,000,000
13.25% Debentures
Dated September 10, 1982 Due September 10, 1986
Series SM-1986-K Cusip No. 313586 MM 8
Non-Callable
Price 100%

The debentures are the obligations of the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.).

This offering is made by the Federal National Mortgage Association through its Senior Vice President-Finance and Treasurer with the assistance of a nationwide Selling Group of recognized dealers in securities.

Debentures will be available in Book-Entry form only. There will be no definitive securities offered.

John J. Meehan, Senior Vice President-Finance and Treasurer
Allen C. Sell, Director of the Fiscal Office

100 Wall Street, New York, N.Y. 10005

This announcement appears as a matter of record only.

Companies and Markets

MINING NEWS

MIM Holdings loss is cushioned by tax credit

BY KENNETH MARSTON, MINING EDITOR

HAVING RUN into the red in the first quarter of the year to June 30 Australia's second largest quoted company, the MIM Holdings base metal mining group, reports a consolidated net loss for the full 12 months of A$10.37m.

This figure includes an extraordinary loss of A$6.04m arising from adverse currency movements. The latest result compares with a net profit of A$106.4m in the previous year.

As forecast at the time of the one-for-eight rights issue earlier this year, the group is paying a final dividend of 3 cents (1.7p) on the increased capital following the interim of 2 cents. The total distribution for the year takes A$24m compared with A$67m for the total of 15 cents paid for 1980-81.

At the pre-tax level losses for the past year ran at A$1m in the first 12 weeks, A$5.8m in the second 12 weeks; A$16.3m in the subsequent 16 weeks; and eased to A$5.3m in the final 12 weeks. The total of A$28.4m, however, was largely offset by tax recoupments of A$24.1m to leave a net loss of A$4.3m before the extraordinary debit.

In all, this is a better than expected result against the background of depressed metal prices—notably of copper—higher wage costs, royalties levied on mine production irrespective of profitability plus increased interest on borrowings and the exchange losses incurred on repayments of those made overseas.

A further revaluation of fixed assets amounts to a net A$246.6m which represents approximately half the difference between the book value and the current cost value.

MIM points out that it has backed its confidence in the future of the mining business by raising capital expenditure in the past year to a record A$503m of which some A$314m has gone to projects in Australia and the remaining A$188m has been used to raise the holding in the U.S. Asarco metal group to 20.9 per cent from 2 per cent.

It is stated that with the purchase of the stake in Asarco, "MIM has acquired a major holding in one of the world's leading mining and mineral processing companies with excellent long term prospects despite the present economic situation. This acquisition has been at a price far below the present cost of establishing those assets."

Asarco holds some 44 per cent of MIM and both companies are well placed to enjoy the fruits of the eventual recovery in the world economy. Meanwhile, the London sharemarket took a philosophical view of the latest results from MIM and the shares hardened to 184p yesterday.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—British Petroleum, Cadbury Schweppes, Cambridge Electronic Industries, Charterhouse Group, General Mining Union Corporation, Morgan Crucible, Moss Bros., J. N. Nichols (Vimto), Turner and Newall.

Finals—British Electric Traction, Northern Industrial Improvement Trust, Palmerston Investment Trust, Whitworth Electric.

FUTURE DATES

Interims:—

BSR	Sept 10
Bestobell	Sept 9
Brent Chemicals Intnl.	Oct 4
Cakebread Robey	Sept 13
Carpets Intnl.	Oct 7
Collins (William)	Sept 16
Dunlop	Sept 23
Farmer (S. W.)	Sept 14
Ibstock Johnsen	Oct 21
Laird Group	Sept 4
Menzies (John)	Sept 23
Newbold and Burton	Sept 8
Nurdin and Peacock	Sept 6
Perry (Harold)	Sept 23
Portals	Sept 8
Finals:—	
Bracken Mines	Sept 10
Fletcher Challenge	Sept 14

Cornish tin dredging operation planned

A SCHEME to carry out a tin dredging operation in the shallow waters of St Ives Bay off the north Cornish coast was given a planning go-ahead yesterday, reports our correspondent in Bodmin.

Marine Mining (Cornwall), backed by U.S. money, aims to dredge some 500,000 tonnes of tin-bearing sand in the area. The tin content has been washed down over the centuries by the Red River from the tin workings in the Camborne area.

Marine Mining plans to lift the silt and sand, pump it ashore by pipeline and there extract the tin metal.

Cornwall County Council planning committee yesterday in effect signalled the go-ahead for the company to start the operation early next year by giving a 30-year planning approval for the erection of a series of buildings by the sea at Hayle.

Robeco plans London listing for Rorento

Robeco, Europe's largest independent investment group, announced plans in Rotterdam to get a London listing for Rorento at the end of this month.

Rorento, a Curacao based trust, was set up in 1974 and is now worth around £640m. Nearly half of the trust is invested in U.S. bonds and 15 per cent in the UK. The group still favours the U.S. bond market in preference to the UK as it believes "there is more potential in the U.S."

Shares in Rorento are valued at net asset value minus a fee for operational expenses. Net assets of Rorento grew by 12.5 per cent in the year to February 28, 1982 to Fl2,452m (£522m). The number of shares outstanding fell by about 520,000 to just over 17m. Two of the other group's trusts, Rebeco and Rolloco, both of which are invested in equities, are already quoted on the London Stock Exchange. Together, the trusts are worth about £1.32bn.

About 5 per cent of the £2bn Rebeco group is held by UK investors.

Public Works Loan Board rates

Effective September 2

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
Up to 5	10¾	10¾	11¼	11⅛	11¼	11¾
Over 5, up to 6	10⅞	11	11¼	11⅛	11⅞	12⅛
Over 6, up to 7	11	11	11¼	11⅛	11⅞	12⅛
Over 7, up to 8	11⅛	11⅛	11½	11⅛	11⅞	12⅛
Over 8, up to 9	11⅛	11⅛	11½	11⅛	11⅞	12⅛
Over 9, up to 10	11⅛	11¼	11⅞	11⅛	11⅞	12⅛
Over 10, up to 15	11⅝	11½	11⅝	12¼	12⅜	12¼
Over 15, up to 25	11⅞	11¾	11¾	12¼	12¼	12¼
Over 25	11¾	11¾	11¾	12¼	12¼	12¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$300	9	114	—	—	—	—	$405.75
GOLD C	$325	—	—	10	103	—	—	"
GOLD C	$350	56	68	—	—	—	—	"
GOLD C	$375	1	50 B	10	67	22	76	"
GOLD C	$400	67	22	—	—	—	—	"
GOLD C	$425	35	20	—	—	—	—	"
GOLD P	$300	50	2	—	—	—	—	"
GOLD P	$325	112	4	—	—	—	—	"
GOLD P	$350	10	7	1	13	—	—	"
GOLD P	$375	6	14	6	18	30	32	"
GOLD P	$400	94	25	13	37	—	—	"
GOLD P	$425	10	33	—	—	—	—	"
13¾ NL 81 87-91								
C	F.110	40	4.30 B	—	—	—	—	F.114.00
C	F.115	90	1.30	—	—	—	—	"
P	F.112.50	—	—	6	1.30 B	—	—	"
P	F.113	6	9	—	—	300	3.30	"
10¾ NL 80 86-95								
C	F.100	50	4.40	—	—	—	—	F.104.40
11¼ NL 82 88-99								
C	F.102.50	13	2.80	—	—	—	—	F.104.80
C	F.105	315	1.10	109	1.90	—	—	"
P	F.105	—	—	00	1.80	—	—	"
10 NL 82 86-89								
P	F.102.50	—	—	2	2.70	—	—	F.100.30
10⅛ NL 82 86-89								
C	F.102.50	20	0.60	—	—	—	—	F.101.70
		Oct.		Jan.		April		
ABN C	F.340	6	6	—	—	16	17 B	F.341
ABN C	F.360	—	—	90	6	40	3.30	"
AKZO C	F.22.50	10	2.70	—	—	—	—	F.25
AKZO C	F.25	—	—	48	1.80	—	—	"
AKZO C	F.27.50	30	0.30	9	0.90	24	1.30	"
AKZO C	F.30	15	0.20	—	—	—	—	"
AMRO C	F.40	—	—	—	—	19	27.0	F.38.20
AMRO P	F.45	10	7	—	—	—	—	"
HEIN C	F.50	90	18.20	—	—	—	—	F.68.60
HEIN C	F.60	16	8.80 B	30	6.60	20	9.60	"
HEIN C	F.65	64	3.60 B	—	—	—	—	"
HEIN C	F.70	165	9	68	2.50	—	—	"
HEIN P	F.65	14	1.20	—	—	—	—	"
HEIN P	F.70	107	6.50	—	—	—	—	"
IBM C	$65	6	6⅛	—	—	—	—	$70⅛
IBM P	$65	—	—	10	2	—	—	"
KLM C	F.80	00	16.20 B	—	—	—	—	F.93.00
KLM C	F.90	230	6	15	8 B	—	—	"
KLM C	F.100	166	2	34	4	—	—	"
KLM P	F.80	68	0.50	17	2	—	—	"
KLM P	F.90	73	2.00	—	—	—	—	"
NEDL C	F.100	14	6.80	—	—	10	9	F.99
NEDL C	F.110	16	0.80	—	—	18	4	"
NEDL P	F.100	—	—	—	—	17	6	"
NEDL P	F.110	17	11.30	—	—	—	—	"
NATN C	F.115	31	2.50 A	31	9.60	—	—	F.115
NATN C	F.120	12	0.40	—	—	—	—	"
PHIL C	F.20	10	6	—	—	—	—	F.25.10
PHIL C	F.22.50	12	2.80 B	—	—	—	—	"
PHIL C	F.25	328	0.80	72	1.30	32	1.90	"
PHIL C	F.27.50	—	—	56	0.80	—	—	"
PHIL P	F.25	60	0.50	—	—	104	1.30 A	"
PHIL P	F.27.50	55	2.50	—	—	—	—	"
RD C	F.70	10	10.50 B	—	—	—	—	F.88.40
RD C	F.80	24	2.60	20	5.60 B	—	—	"
RD C	F.90	73	2	32	3.10	14	4.50	"
RD C	F.100	10	0.50	9	0.90	—	—	"
RD P	F.80	30	0.60	—	—	—	—	"
RD P	F.90	95	5.10	21	5.50	—	—	"
UNIL C	F.150	13	10	6	10.50	—	—	F.159.80
UNIL C	F.160	71	3.20	40	4	—	—	"
UNIL P	F.140	10	0.20	—	—	—	—	"
UNIL P	F.150	96	0.50	15	2.50	—	—	"
UNIL P	F.160	16	3.60	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 4,430

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

September 1 Total Contracts 1,769 Calls 1375 Puts 394

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	260	46	42	56	2	68	—	304p
BP (c)	280	27	85	42	35	48	—	"
BP (c)	300	14	125	28	73	38	—	"
BP (c)	330	5	48	13	80	—	—	"
BP (p)	260	4	1	8	—	14	—	"
BP (p)	280	9	11	16	—	22	—	"
BP (p)	300	16	11	29	10	30	—	"
BP (p)	330	42	20	44	—	—	—	"
CU (c)	140	5	—	11	5	15	20	135p
CU (c)	130	6	9	7	—	9	—	"
Cons. Gld (c)	420	34	12	62	1	52	—	440p
Cons. Gld (c)	460	18	8	37	—	40	—	"
Cons. Gld (c)	500	7	14	18	—	23	—	"
Cons. Gld (p)	390	6	5	20	12	30	—	"
Cons. Gld (p)	420	20	12	35	6	42	—	"
Cons. Gld (p)	450	40	13	52	—	62	—	"
Ctlds. (c)	80	3	3	6	57	9	—	77p
Ctlds. (c)	80	1½	—	5	11	5	—	"
Ctlds. (p)	80	6	—	10	6	19	—	"
GEC (c)	1100	33	16	65	3	65	—	£10½
GEC (p)	850	3	8	10	—	—	—	"
GEC (p)	1000	12	2	23	—	27	—	"
Gr'd Met. (c)	240	42	7	48	7	52	—	278p
Gr'd Met. (c)	200	95	34	36	3	65	—	"
Gr'd Met. (c)	280	14	15	24	12	27	—	"
Gr'd Met. (p)	260	5	3	9	—	11	—	"
ICI (c)	350	60	3	38	—	44	—	282p
ICI (c)	280	16	12	22	1	28	—	"
ICI (c)	300	6	17	12	—	17	5	"
ICI (p)	200	4	1	9	—	16	—	"
ICI (p)	900	10	5	16	—	20	—	"
ICI (p)	300	24	—	30	6	35	—	"
Land Sec. (c)	300	8	1	13	—	20	—	282p
Mks & Sp. (c)	160	17	10	24	—	27	—	174p
Mks & Sp. (c)	180	5	18	10	2	16	—	"
Shell (c)	300	56	4	64	—	72	—	410p
Shell (c)	380	30	10	40	1	48	—	"
Shell (c)	420	12	52	28	0	35	—	"
Shell (c)	460	3	—	9	6	—	—	"
Shell (p)	420	96	11	26	—	32	—	"
		November		February		May		
Barclays (c)	660	30	37	35	—	43	—	385p
Barclays (c)	383	16	4	—	—	—	—	"
Barclays (c)	690	10	10	29	—	37	—	"
Barclays (p)	360	12	3	18	—	30	—	"
Barclays (p)	390	32	—	38	2	53	—	"
Imperial (c)	100	3½	128	7	6	10	—	97p
Lasmo (c)	280	100	6	117	—	125	—	377p
Lasmo (c)	300	80	27	100	—	107	—	"
Lasmo (c)	330	35	12	77	—	85	—	"
Lasmo (c)	360	34	97	62	2	65	1	"
Lasmo (p)	360	15	5	27	10	43	—	"
Lonrho (c)	80	16	1	18	4	22	—	91p
Lonrho (c)	90	9	43	12½	47	15	5	"
Lonrho (c)	100	4	38	8	26	6	—	"
Lonrho (p)	70	½	23	2	9	—	—	"
Lonrho (p)	90	5	—	6	—	7	8	"
Lonrho (p)	100	11	—	12	—	13	10	"
P & O (c)	140	13	1	15	—	19	—	143p
P & O (c)	160	5	13	8	6	11	—	"
P & O (p)	140	7½	—	2	4	15	—	"
Racal (c)	360	187	10	—	—	—	—	535p
Racal (c)	460	87	4	97	—	113	—	"
Racal (c)	350	38	1	35	—	54	1	"
Racal (p)	390	1	1	2	5	—	—	"
Racal (p)	420	1	9	3	7	—	—	"
Racal (p)	500	9	112	18	—	35	—	"
Racal (p)	550	35	4	56	—	40	—	"
RTZ (c)	390	32	3	62	—	72	—	420p
RTZ (c)	420	30	23	43	3	32	—	"
RTZ (c)	460	12	5	33	—	30	—	"
RTZ (p)	420	21	16	33	—	42	—	"
RTZ (p)	460	45	3	55	—	60	—	"
Vaal Rfs. (c)	65	11	—	12½	—	14	3	$62
Vaal Rfs. (c)	60	7	30	8½	—	10	1	"
Vaal Rfs. (p)	63	2½	18	6	—	6	—	"
Vaal Rfs. (p)	80	5	10	7½	—	8	2	"

C=Call P=Put

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1981							
2nd qtr.	99.4	89.4	90	104.7	134.5	2,482	89
3rd qtr.	100.3	90.1	103	105.5	139.1	2,641	96
4th qtr.	100.6	89.9	90	105.4	168.5	2,732	104
1982							
1st qtr.	100.2	89.4	92	106.6	141.3	2,817	112
2nd qtr.	100.9	89.1		106.1	145.4	2,878	107
January	99.6	88.5	83	107.0	143.9	2,812	112
February	100.3	89.8	99	106.1	137.6	2,818	113
March	100.6	89.8	93	106.6	142.3	2,822	111
April	101.1	89.3	94	105.9	146.1	2,850	110
May	101.5	89.7	93	105.8	145.4	2,872	107
June	100.0	88.2		106.6	144.8	2,911	105
July				107.0		2,926	111
August						2,987	113

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
3rd qtr.	93.8	89.9	116.8	86.7	77.8	75.5	14.2
4th qtr.	93.4	89.9	121.5	86.2	82.3	75.4	11.6
December	93.0	90.0	120.0	86.0	81.0	75.0	7.8
1982							
1st qtr.	92.6	91.1	119.5	86.4	81.0	74.4	14.6
2nd qtr.	92.4	91.4	120.1	86.0	77.6	72.2	17.3
January	91.0	90.0	120.0	85.0	81.0	75.0	11.4
February	93.0	91.0	118.0	87.0	84.0	75.0	15.2
March	93.0	92.0	120.0	87.0	78.0	73.0	17.5
April	92.0	91.0	121.0	86.0	81.0	74.0	17.3
May	94.0	91.0	121.0	87.0	80.0	73.0	17.5
June	91.0	92.0	118.0	86.0	71.0	70.0	17.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1981							
4th qtr.	132.0	125.7	+490	+1,365	+696	99.2	23.35
September	129.8	126.9	+ 58	+271	+291	97.9	23.70
October	136.0	121.0	+402	+694	+ 74	97.9	23.32
November	130.1	135.5	−227	+ 65	+205	99.5	23.46
December	130.0	120.6	+315	+606	+416	100.1	23.35
1982							
1st qtr.	125.3	122.7	+356	+685	+707	101.4	18.97
2nd qtr.	131.5	130.6	+102	+552	+923	101.0	17.79
January	119.0	123.2	−103	+ 7	+187	101.6	22.23
February	124.3	120.2	+186	+298	+289	100.9	23.37
March	132.7	124.8	+271	+380	+231	101.6	18.97
April	134.6	129.4	+224	−374	+419	101.0	18.16
May	132.9	135.6	−115	+ 35	+327	100.7	17.89
June	127.1	126.1	− 7	+143	+177	101.3	17.79
July	125.7	124.0	+166	+316	+401	100.5	17.94

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
2nd qtr.	23.1	17.3	6.5	+4,036	1,163	1,984	12
3rd qtr.	8.1	18.1	29.7	+6,031	868	2,057	—
4th qtr.				+2,365	422	2,081	—
October	− 4.7	20.2	24.0	+1,425	154	690	—
November	7.6	17.3	20.4	+ 460	65	684	—
December				+ 480	203	707	—
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,586	1,344		
January				+ 857	356	665	
February	8.0	6.9	17.1	+1,131	347	698	
March	3.7	7.2	24.5	+1,206	264	794	
April	−3.3	4.8	26.1	+1,648	437	728	
May	−0.5	9.5	26.8	+1,685	478	710	
June	10.7	10.3	25.8	+1,253	429	749	
July	14.2	11.2	29.7	+1,367	699		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
2nd qtr.	202.2	225.6	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
December	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.0	234.3	311.6	297.7	242.40	91.1
2nd qtr.		239.9	238.2	321.5	304.1	233.46	90.3
January	214.1	238.9	232.9	310.6	296.1	252.95	91.1
February	217.0	239.9	234.4	310.7	297.2	241.77	91.5
March	219.7	235.4	235.5	313.4	299.9	242.40	90.8
April	219.6	238.9	237.0	319.7	302.6	246.84	90.9
May	222.5	237.5	238.3	322.0	305.6	237.39	89.9
June	225.9	243.3	239.3	322.9	304.1	233.46	91.1
July		244.7	241.1	323.0	299.5	229.51	91.2
August						229.60	91.4

* Not seasonally adjusted.

SUN ALLIANCE INSURANCE GROUP

INTERIM STATEMENT

The estimated and unaudited results for the 6 months ended 30th June, 1982 are set out below with the comparative figures for 1981. The results for the year 1981 are an abridged version of the full accounts which received an unqualified auditors' report and have been filed with the Registrar of Companies.

	6 months to 30th June 1982 £m	6 months to 30th June 1981 £m	Year 1981 £m
Premium Income—General Insurance	388.4	354.8	703.6
Underwriting Result—General Insurance	(49.9)	(8.6)	(36.8)
Long-term Insurance Profits	3.2	2.8	6.1
Investment Income	56.4	46.6	101.1
Other Income	0.4	0.3	0.5
PROFIT BEFORE TAXATION	10.1	41.1	70.9
Taxation	2.4	17.8	28.7
PROFIT AFTER TAXATION	7.7	23.3	42.2
Minority Interests	—	0.1	0.4
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	7.7	23.2	41.8
EARNINGS PER SHARE	15.6p	47.1p	84.8p

TERRITORIAL ANALYSIS OF GENERAL INSURANCE RESULTS

	Premium Income £m	Underwriting Result £m	Premium Income £m	Underwriting Result £m	Premium Income £m	Underwriting Result £m
United Kingdom and Ireland	186.8	(19.3)	178.4	9.1	342.7	7.6
Europe	47.1	(5.9)	42.8	(1.6)	79.6	(5.4)
U.S.A.	40.9	(8.6)	34.6	(1.8)	70.6	(4.4)
Canada	16.1	(4.3)	14.3	(2.2)	29.7	(6.6)
Australia	14.5	(3.8)	14.1	(5.9)	34.8	(16.3)
Other Overseas	28.5	(1.1)	24.9	(3.7)	49.0	(6.8)
Reinsurance	20.3	(5.9)	15.7	(1.5)	33.9	(4.9)
Marine and Aviation (worldwide)	34.2	(1.0)	30.0	(1.0)	63.3	—
	388.4	(49.9)	354.8	(8.6)	703.6	(36.8)

UNDERWRITING RESULTS
General business premium income increased by 9.5%. Excluding the effect of changes in exchange rates the increase was 6.6%.
The United Kingdom result reflects the extreme weather losses in January, estimated to have cost in total £16.5m net of reinsurance, largely in the Householders' Account, much heavier fire losses and intense competition for commercial property business. Experience in the liability, motor and engineering accounts also deteriorated.
In Europe results generally worsened and all major territories produced underwriting losses.
The United States result for the half-year has been seriously affected by the need to provide further reserves of £5.6m for claims against medical practitioners.
In Canada there was an increase in large fire losses and property experience deteriorated generally; automobile results showed some improvement.
Remedial measures in Australia have considerably reduced losses from workers' compensation business but otherwise conditions remained difficult.
The significantly increased reinsurance loss reflects adverse trends throughout the world. In view of some deterioration in Marine and Aviation experience provision for a modest transfer to the Marine Fund has been made.

INVESTMENT INCOME
Investment income increased by 21.0%. The underlying growth, allowing for changes in exchange rates, was 18.4%.

DIVIDEND
The Directors have declared an interim dividend for 1982 of 19.5p per share (1981—19.5p), costing £9.6m. The dividend will be paid on 5th January, 1983 to shareholders registered on 3rd December, 1982.

LONG-TERM INSURANCE
New Life and Annuity Business (Home and Overseas):

	6 months to 30th June 1982 £m	6 months to 30th June 1981 £m	Year 1981 £m
Sums Assured	746.5	642.5	1,277.3
Annuities per Annum	8.8	10.2	19.9
Annual Premiums	11.9	12.3	25.2
Single Premiums	13.5	8.0	16.9

1st September 1982

Fitch Lovell

Annual Report 1982
Year ended 24th April 1982
* Profit before Tax £10.3m. (£9.2m.) – an increase of 12%
* Maintained momentum
– acquisitions in frozen food and bacon distribution
– ceased fruit and vegetable canning and butter packing
– re-shaping of Lovell & Christmas complete
– 8 Key Markets opened
* Recommended Final Dividend 3.97p net – 5% gross increase for year.
* Better placed for further initiatives

* Spans the food industry
* AGM
The Connaught Rooms, Great Queen Street, WC2
30th September 1982 at 12 noon

The Annual Report 1982 is available from The Secretary, Fitch Lovell PLC, 1 West Smithfield, London EC1A 9LA (01-248 6431)

The above is an abridged version of the Group's full accounts which carry an unqualified Auditors' Report and which will be filed with the Registrar of Companies following the AGM.

UK COMPANY NEWS

Babcock expands to £8.27m at six months

WITH THE principal contributors to the improvement being the businesses engaged in contracting operations and the companies of the industrial and electrical products group, taxable profits of Babcock International, engineering and contracting concern, expanded to £8.27m for the half year ended July 4, 1982, against a previous £3.44m. Turnover went ahead from £453.3m to £486.5m.

Companies based in the UK generally experienced better conditions in their home markets than in 1981, and their total turnover increased by 10 per cent. Work on overseas contracts also increased, mainly in the power group, but otherwise export turnover was basically unchanged, Sir John King, chairman, states.

The contracting operations of the South African companies, the Australian companies and Claudius Peters all performed better, but in the FATA group losses incurred by the French companies, which are in course of rationalisation, more than offset the benefits derived from a higher total turnover in other operations.

Sir John says that work on major contracts received in 1981 to supply material handling equipment for factory conversions in the automotive industry considerably enhanced turnover and profits of the North American group's conveyor division. All the other businesses of this group, however, were adversely affected by a further decline in demand, causing a fall of 9 per cent in their aggregate turnover.

The net interim dividend is maintained at 3.4p per 25p share—last year's total was 7p paid from pre-tax profits of £14.07m.

The chairman explains that it was necessary to rationalise further to maintain viable businesses. Costs of such action, charged against trading profits—£13.2m (£9.77m)—amounted to £854,000 (£1.2m) for the six months.

Investment income was much higher at £884,000 (£188,000), interest payable was down from £8.4m to £7.39m, and associate share was £1.57m against £1.89m. Tax took £4.4m (£2.5m) and after minorities, £110,000 (£55,000), extraordinary debits of £2.23m (£125,000), and preference dividends, £33,000 (same), the attributable balance was £1.5m, compared with £727,000.

On a CCA basis the pre-tax figure is reduced to £1.62m (£1.83m losses).

Despite an exchange loss of £3m on the group's Mexican investments there was an overall gain of £1.1m which went to reserves, the chairman states.

Total value of uncompleted orders on hand at July 4 amounted to £1.32bn, the same as the beginning of the year, and is compared with £1.19bn as at June 28 1981.

Except in the construction equipment group, "there has been a welcome upturn in the business activities of all the principal UK-based companies," Sir John says. At the end of June last the value of uncompleted orders in these companies was nearly 7 per cent higher than at the start of the year, and more than 50 per cent over the total in June 1981.

Order intake in the first six months was 20 per cent higher, representing an increase of 9.5 per cent in orders for UK customers and a 61 per cent advance in export orders.

See Lex

R. H. Morley shows losses of £35,967

Despite a rise in turnover from £2.83m to £3.49m in the year to March 31, 1982, R. H. Morley Group moved from pre-tax profits of £100,244 to a loss of £35,967. At midway, pre-tax profits were down from £60,760 to £15,188.

There will be no dividend payment for the year, following last year's interim only payout of 1p. There is no tax charge, against a charge of £10,714 previously.

Losses per share of this holding company with interests in polythene film manufacture are stated at 1.44p (earnings 3.58p). The group's shares are traded on the unlisted securities market.

Laws Stores falls and closes three branches

Despite a 10 per cent increase in sales from £43.66m to £48.04m, taxable profits of Laws Stores, an unquoted company, fell from £272,000 to £163,000 in the year to April 10, 1982.

Freehold and long leasehold land and buildings of this group, which operates supermarkets in North East England and East Central Scotland, were valued at the year end and an adjustment of £1.17m was taken to reserves.

Three unprofitable branches were closed during the year and no new branches were opened, but new supermarkets will be opened in August and December of the current year. The results were adversely affected by a fast food operation which has now been terminated.

During the year a new 70,000 sq ft warehouse was opened at Felling, Tyne and Wear, and consequent rationalisation is still proceeding. The current year will also see the start of major systems development following the installation of an IBM system 38 computer in September 1982, the directors say.

Professor W. G. McClelland, chairman, says the group's net margin remains extremely thin but fundamental reshaping of its operations is continuing and will strengthen the position for the future.

Dewhirst on target with £1.37m for first half

DESPITE TRADING conditions remaining difficult during the six months to July 16 1982 clothing manufacturer I. J. Dewhirst Holdings lifted pre-tax profits for the period to £1.37m, an increase of 27 per cent over the £1.08m returned for the corresponding months a year earlier.

Sales were on target with chairman Mr Alistair Dewhirst's forecast in June at £13.14m (£11.62m) when he predicted profits would exceed £1.35m. He was hopeful that the progress achieved on the first half would continue in the second half.

In his statement accompanying the interim figures Mr Dewhirst says there are no signs yet that trading conditions will improve during the rest of the financial year.

The net interim dividend is being effectively increased from 0.3p to 0.35p per 10p share—earnings per share are given as 2.91p (2.37p adjusted). Last year's final was equal to 1.0875p when taxable profits totalled £2.52m.

First half trading profits advanced from £926,000 to £1.15m to which net interest receivable of £225,000 (£146,000) was added.

Tax took £422,000 (£302,000 adjusted) leaving net profits of £950,000, compared with £780,000.

WERELDHAVE

N.V. Beleggingsmaatschappij Wereldhave
(Investment company with variable capital)
23, Nassaulaan—2514 JT The Hague, The Netherlands

1982
INTERIM DIVIDEND

The Supervisory Board and the Board of Management have decided to pay an interim dividend of Dfl. 3.25 in cash per ordinary share of Dfl. 20.00 each for the financial year 1982. The interim dividend will be payable, less 25 per cent withholding tax, from September 15, 1982 on presentation of coupon No. 23.

Dividend coupons for cash payment may be presented at Pierson, Heldring & Pierson N.V., Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., N.V. Slavenburg's Bank, Nederlandsche Middenstandsbank N.V. or Bank Mees en Hope N.V. in Amsterdam, Rotterdam or The Hague or at the offices of Morgan Grenfell & Co. Limited, New Issues Department, 21 Austin Friars, London EC2N 2HB.

By order of the Board of Management

The Hague,
September 1, 1982

Parkfield Foundries well down

TAXABLE PROFITS of Parkfield Foundries dropped from £136,022 to £86,159 for the year ended May 1, 1982 following a £96,258 downturn to £14,750 after six months. Turnover for the full year advanced marginally to £5.01m, compared with £4.75m previously.

The dividend is held at 0.375p net by a same-again final of 0.525p—stated earnings per 5p share were 3.3p (3.1p).

The directors say that in the present circumstances it is difficult to forecast the trend of business, dependent as it is on the engineering industry emerging from the recession.

There was a tax credit for the year amounting to £12,000 (£42,000 charge) but extraordinary items took £55,000 (£51,000 credit).

The company is an iron castings supplier. Its shares are traded on the USM.

Yearlings total £15.75m

YEARLING BONDS totalling £15.75m at 10¾ per cent redeemable on September 7 1983 have been issued this week by the following local authorities.

Basingstoke & Deane Borough Council £1.5m; Aylesbury Vale District Council £0.5m; Sedgemoor DC £0.25m; Welwyn Hatfield DC £0.5m; West Lothian DC £0.25m; Pendle (Borough of) £0.25m; Blaenau Gwent (Borough of) £0.5m; Gateshead (Borough Council of) £0.5m; Lothian Regional Council £1m; Brighton BC £1m; Lambeth (London Borough of) £1m; Hounslow (London Borough of) £0.5m; Preseli DC £0.25m; West Yorkshire Metropolitan County Council £0.75m; Dudley Metropolitan BC £0.5m; Oldham Metropolitan BC £1.5m; Rother DC £0.5m; Tendring DC £0.5m; Cleethorpes BC £0.5m; Cynon Valley (Borough of) £0.5m; Preston BC £1m; Southwark (London Borough of) £1m; Wycombe DC £1m.

Suffolk Coastal DC and Greenwich (London Borough of) have issued £0.5m and £1m respectively of 11¼ per cent bonds for redemption on August 26 1987.

RESULTS AND ACCOUNTS IN BRIEF

HIGHLANDS AND LOWLANDS BHD (plantation company incorporated in Malaysia)—Results for six months to June 30 1982: Pre-tax profit M$19.8m (M$18.8m); turnover M$49.2m (M$51.8m); Investment income M$9m (M$4.9m); tax M$8.3m (M$7.6m); interim dividend 3 cents (same); earnings per share 3.81 cents (3.77 cents). Second half profits are expected to be lower and the company may not be able to maintain the final dividend at last year's 10 cents.

HILLARDS (supermarket operator)—Results for the year ended May 1 1982 reported August 3. Shareholders' funds £15.09m (£12.85m). Fixed assets £25.62m (£22.3m). Net current liabilities £7.43m (£6.47m). Meeting: Ossett, September 27, 12.30 pm.

Sharp rise to £148,000 for Arrow Chemicals

MORE THAN doubled pre-tax profits were shown by Arrow Chemicals Holdings from £56,000 to £148,000 for the 26 weeks to July 2 1982. Turnover of this maker of chemicals and industrial aerosols rose from £2.75m to £3.29m.

Increased profits are forecast for the second half and the directors look forward with confidence to "satisfactory results for the year." In the last full year pre-tax profits came to £146,000 (losses £498,000) and the directors were looking forward to a profitable year in all areas of operation.

There is again no interim dividend—the last payment was 1p for the 36 weeks to end 1979.

Pre-tax profits were struck after depreciation of £98,000 (£82,000), goodwill written off the same at £35,000, hire of plant and motor vehicles up from £116,000 to £141,000, directors' remuneration of £48,000 (£36,000) and interest payable £80,000 (£87,000).

Tax took £59,000 (nil). All comparisons covered a 27-week period.

BASE LENDING RATES

A.B.N. Bank	10½%	Grindlays Bank	‡10½%
Allied Irish Bank	11 %	■ Guinness Mahon	10½%
Amro Bank	10½%	■ Hambros Bank	10½%
Henry Ansbacher	10½%	Hargrave Secs. Ltd.	a10½%
Arbuthnot Latham	10½%	Heritable & Gen. Trust	10½%
Associates Cap. Corp.	12 %	■ Hill Samuel	§10½%
Banco de Bilbao	10½%	C. Hoare & Co.	†10½%
BCCI	11 %	Hongkong & Shanghai	10½%
Bank Hapoalim BM	11 %	Kingsnorth Trust Ltd.	12 %
Bank of Ireland	10½%	Knowsley & Co. Ltd.	11 %
Bank Leumi (UK) plc	10½%	Lloyds Bank	a10½%
Bank of Cyprus	10½%	Mallinhall Limited	10½%
Bank Street Sec. Ltd.	12 %	Edward Manson & Co.	12 %
Bank of N.S.W.	10½%	Midland Bank	a10½%
Banque Belge Ltd.	10½%	■ Samuel Montagu	10½%
Banque du Rhone	11 %	■ Morgan Grenfell	a10½%
Barclays Bank	10½%	National Westminster	10½%
Beneficial Trust Ltd.	11½%	Norwich General Trust	10½%
Bremar Holdings Ltd.	12 %	P. S. Refson & Co.	10½%
Brit. Bank of Mid. East	10½%	Roxburghe Guarantee	11 %
■ Brown Shipley	11 %	Slavenburg's Bank	10½%
Canada Perm't Trust	11½%	Standard Chartered	‖10½%
Castle Court Trust Ltd.	11 %	Trade Dev. Bank	10½%
Cavendish G'ty T'st Ltd.	12 %	Trustee Savings Bank	a10½%
Cayzer Ltd.	11 %	TCB	10½%
Cedar Holdings	11 %	United Bank of Kuwait	10½%
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	10½%
Choulartons	10½%	Whiteaway Laidlaw	11 %
Citibank Savings	¶11 %	Williams & Glyn's	10½%
Clydesdale Bank	11 %	Wintrust Secs. Ltd.	11 %
C. E. Coates	11½%	Yorkshire Bank	a10½%
Comm. Bk. of N. East	10½%		
Consolidated Credits	10½%		
Co-operative Bank	*10½%		
Corinthian Secs.	10½%		
The Cyprus Popular Bk.	11 %		
Duncan Lawrie	10½%		
Eagil Trust	10½%		
E.T. Trust	11 %		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.25%, 1 month 7.50%. Short-term £8,000/12-months 9.85%.
† 7-day deposits on sums of: under £10,000 7¼%, £10,000 up to £50,000 8%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 7¼%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7¼%.
¶ Mortgage base rate.
a Effective from close of business 31 August 1982.

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS

Asahi Chemical Industry Co., Ltd.

U.S. DLRS 30,000,000 6¼% Convertible Bonds due September 30, 1990
(THE "BONDS")

NOTICE IS HEREBY GIVEN that, pursuant to 6(B) of the Term and Conditions of the Bonds issued under a Trust Deed dated December 18, 1975, the Company has elected to exercise its right to, and shall, redeem on September 29, 1982 (the "Redemption Date") all of its outstanding Bonds at a redemption price of 102½% of the principal amount thereof, together with accrued interest from March 31, 1982 to the Redemption Date which shall be U.S. Dollars 31.08 per $1,000 Bond.

The redemption price will become due and payable on the Redemption Date and, upon presentation and surrender of the Bonds (together with all coupons appertaining thereto maturing after September 29, 1982), and will be paid on or after the Redemption Date at the offices of any of the following Paying Agents: Citibank, N.A. (New York), Citibank, N.A. (London), Banque De Commerce S.A. (Brussels), Banque Generale Du Luxembourg (Luxembourg), The Chase Manhattan Bank, N.A. (Milan), The Chase Manhattan Bank, N.A. (Paris), Commerzbank Aktiengesellschaft (Frankfurt), Nederlandse Credietbank N.V. (Amsterdam) and Swiss Bank Corporation (Basle). On and after the Redemption Date, interest on the Bonds will cease to accrue.

CONVERSION OF BONDS INTO COMMON STOCK

In accordance with condition 5(A)(B) of the Bonds, Bondholders may convert their Bonds into shares of Common Stock of the Company at the conversion price (the principal amount of Bonds translated into Japanese Yen at the rate of Yen 303 equals U.S. $1.) which at the date of this notice is Yen 140.20 per share of Common Stock. Each Bondholder wishing to convert should deposit his Bonds, together with all unmatured coupons, with any of the Conversion Agents being the same as the Paying Agents specified above, accompanied by a written notice to convert. SUCH CONVERSION RIGHTS WILL TERMINATE ON SEPTEMBER 29, 1982.

For the information of the Bondholders the reported closing prices of the shares of Common Stock of the Company on the Tokyo Stock Exchange during the period from June 1, 1982 to July 30, 1982 ranged from the high of Yen 292 to the low of Yen 263 per share. The reported closing price of such shares on the Tokyo Stock Exchange on July 30, 1982 was Yen 276 per share.

ASAHI CHEMICAL INDUSTRY CO., LTD.
By: CITIBANK, N.A.
as Principal Paying and Conversion Agent

August 26, 1982

To All Shareholders of Global Natural Resources PLC

THE TRUTH ABOUT GLOBAL & McFARLANE

The Warner-Bertoglio group have spent large sums of money publishing a highly misleading account of the McFarlane acquisition.

The truth is as follows:

■ Global has never over-valued McFarlane's oil and gas reserves. Global's technical staff and advisers conducted a thorough review of McFarlane's assets and the price agreed (after hard negotiation) reflects — greatly to Global's advantage — the current "buyers' market" for oil and gas assets. Global is paying approximately $25 million for McFarlane's proven reserves of oil and gas despite the fact that McFarlane's engineers estimated the value of these reserves to be considerably higher and their value estimated according to the guidelines laid down by the American SEC was $49 million.

■ H. J. Gruy & Associates, Inc., the highly-respected independent petroleum engineers to Global, have endorsed Global's valuation of McFarlane's proven reserves.

■ Arthur Andersen & Co., Certified Public Accountants, have completed their audit of McFarlane's 1982 financial statements — as required by the acquisition agreement.

■ A detailed investigation of McFarlane by Global's own technical staff and outside lawyers and accountants has confirmed McFarlane's good standing.

■ The preliminary earnings estimates for Global and McFarlane quoted out of context by the Warner-Bertoglio group were drawn up separately by the two companies before the acquisition was agreed. The Directors of Global have always stipulated that the enlarged Company's exploration expenditures should be controlled to ensure that temporary losses are limited and borrowings remain at a prudent level. Updated forecasts for the enlarged Company have now been prepared which indicate an operational loss for 1982 considerably smaller than that referred to by the Warner-Bertoglio group and a return to profits in 1983. Under the "successful efforts" accounting policy, temporary losses will inevitably be recorded, in periods of high exploration expenditures despite the growth in the underlying value of the Company's assets.

■ The forecasts indicate that at the end of 1983 the net long-term debt of the enlarged Company will be limited to less than one third of shareholders' funds.

Detailed information on McFarlane was given in a letter from your Company published on 11th August, 1982, which is available from your Company and its financial advisers.

FURTHER FACTS YOU SHOULD BE AWARE OF

The Warner-Bertoglio/Bear Stearns group have put forward no specific plans for your Company. They are asking you to dismiss a successful Board and to entrust control over Global to would-be directors with neither a record of past success with public oil and gas exploration companies nor any plans for the future success of Global.

They style themselves "The Committee for the Protection of Global Shareholders", but the effect of their current legal campaign — if successful — would be to deprive you, the shareholders, of the benefits of the McFarlane acquisition.

In their efforts to solicit your vote, they have quoted figures and reported facts out of context and have communicated information piecemeal.

They have told shareholders about the Temporary Restraining Order postponing completion of the McFarlane acquisition, issued after a two-hour hearing by a Cincinnati Court on 24th August, 1982. But they have not told you that their motion for a similar injunction was fully considered in a six-day hearing in the High Court of Justice in London and was refused. What is more, after a further three-day hearing, the Court of Appeal unanimously upheld this refusal.

CONSIDER GLOBAL'S EXCELLENT RECORD OF GROWTH IN SALES, RESERVES AND SHAREHOLDERS' FUNDS

	1978 ($000)	1981 ($000)	Compound Annual Growth
Sales of oil & gas production	9,937	34,894	+54.8%
Oil reserves (Bbls 000's)[1]	1,103	1,936	+20.6%
Gas reserves (Mmcf)[2]	70,721	103,073	+13.4%
Present value of proven reserves	55,500	174,300	+46.3%
Additions to properties	11,803	30,070	+53.3%
Shareholders' funds	42,099	92,422	+22.3%

[1]After production of 688 (Bbls 000's) for the period.
[2]After production of 29,886 (Mmcf) for the period.

This success has been reflected in the market price of your shares up from $1.48 in September 1976 to $10¼ (closing bid) on 31st August, 1982.

GLOBAL'S ACHIEVEMENTS AND PROSPECTS ARE THE STRONGEST ARGUMENTS FOR SUPPORTING YOUR BOARD OF DIRECTORS

Time is Running Out

We urge every shareholder to vote — VOTE NOW!

For full information call your Company or one of the firm's listed below — today.

Global Natural Resources PLC
Brighton, England

Hambros Bank Limited
London
01-588 2851

Lehman Brothers Kuhn Loeb Incorporated
New York
212-558 2940

Poor outlook for jute

JUTE producing countries are facing falling prices, shrinking markets, prolonged consumer economic recession and rising freight charges, India's textile secretary has warned.

Mr A. K. Dull, speaking at a jute producers' conference in Calcutta this week, called for pooling of resources and expertise by producers. He said a stage had now been reached to set up an International Jute Organisation at an Unctad conference scheduled later this month.

At the Calcutta conference were officials from China, India, Bangladesh, Thailand, Nepal, the Economic and Social Commission for Asia and the Pacific, and the UN Conference on Trade and Development.

● BRITAIN has become the main export market for Cyprus farm produce, with shipments increasing dramatically in the past year. Cyprus now sends to the UK 92.5 per cent of its table grapes, 86 per cent of its exported potato crop (more than 110,000 tonnes of early potatoes), 60 per cent of citrus exports and its entire crop of carrots (7,734 tonnes).

● INDIAN output of wheat, rice and other food grains is expected to fall this season because of erratic monsoon weather, the U.S. Department of Agriculture has said in a field report. Rice production is now set at 50.1m tonnes against a 58.0m target, wheat at 36.5m tonnes against 37.5m tonnes forecast earlier and maize at 6.3m tonnes compared with 6.5m tonnes last year.

The USDA also predicts that Brazil's soyabean crop for 1983-84 should be 14.6m tonnes compared with a 12.8m estimate for 1982-83.

● CHINA is expected to import 16m tonnes of grain in 1982, compared with 13m tonnes last year, the USDA has said.

● FRENCH farmers offered 1.3m tonnes of soft wheat into EEC intervention last month compared with only 1,000 tonnes in the same period last year.

● UK COMPOUND feed production rose 7 per cent in the second quarter of 1982 to 2.4m tonnes from 2.24m tonnes in the same period of 1981, according to the Home Grown Cereals Authority.

Sugar falls to 4-year low

BY TERRY POVEY

THE London daily price for raw sugar struck a four-year low yesterday, at £89 per tonne, with some dealers claiming that there is little now to prevent prices falling to 10-year lows over the next few months.

On the London futures market yesterday the March position closed down 67.5p at £115.475 per tonne. Prices broke through chart resistance at the £115 level in early trading but closed, after a small rally, slightly above the day's lows.

The post-Bank Holiday weakening of sugar prices may have been fuelled by expectations of this week's EEC Commission sugar authorisation, which at 74,500 tonnes of whites plus 700 tonnes of raws, was the highest to date. Yesterday's release brings to almost 62,000 tonnes the average weekly authorisation by the Commission to this new series.

The maximum export rebate on this week's white sugar sales authorisations was 38.929 ecu's per 100 kilos.

According to traders the release was within the expected range. They consider that the EEC will be pursuing a policy of selling off as much white sugar as possible before India enters the market in a big way, which is expected later this month.

Commenting on the further downward move of the London daily price, one analyst said yesterday that "there is little about current information on production and stocks to suggest that prices will stabilise above the £81 per tonne point reached in mid-summer 1978, and an eight-year low."

Describing the market as "bad and getting worse" the broker claimed that those dealers who believed that the worst had already passed had been proved wrong by the continuing falls in prices.

● A Syrian purchase of 20,000 tonnes of white sugar for December delivery was confirmed yesterday but details of a tender by Portugal, involving an exchange of tomato paste for 12,000 tonnes of sugar, are still unclear.

Gold below $400

BY JOHN EDWARDS, COMMODITIES EDITOR

GOLD dipped below $400 in after hours trading yesterday, after closing officially in the afternoon $11 down at $402.5 a fine ounce. Sentiment was reported to be depressed by the failure of any further fall in U.S. interest rates to materialise and news of Chemical Bank increasing its broker loan rate.

Silver and free market platinum followed the easier trend in gold, but copper closed marginally higher reflecting the sharp upturn in the New York (Comex) market on Tuesday night. However, Magma Copper announced a cut in its U.S. domestic selling price of 1 cent to 70 cents a lb.

Asarco confused the lead market by first of all announcing a reduction in its U.S. domestic selling price of 2 cents to 24 cents a lb, and then putting the price up by 1 cent. Cash lead on the London Metal Exchange closed £4.5 down at £297 a tonne, but cash zinc gained £7.25 to £428.25 a tonne following trade buying interest.

The Hamburg Economic Research Institute said in its latest economic bulletin that it sees little noteworthy change occurring in zinc markets during the remainder of this year, reports Reuter.

Demand in Western industrialised countries should remain generally low due to continuing weak sales in the building and car industries.

A continuation of recent interest rate cuts should encourage restocking by zinc users, but this restocking will be launched, hesitantly, only when expectations of a real economic improvement begin to form, it added.

Rubber producers meet

KUALA LUMPUR—A review of the buying operations of the International Natural Rubber Organisation (Inro) buffer stock manager is likely to feature prominently in the two-day Inro special council session beginning today.

Producer members, particularly Malaysia, are reported to be unhappy with the strategy used by the buffer stock manager in attempts to prop up declining rubber prices in the current depressed market.

At the special council meeting, convened because the buffer stock manager's purchases have reached the 200,000 tonnes trigger point, the producer nations grouped in the International Natural Agreement (Inra), are to ask for changes in buying operations to make them more forceful.

Under the 31-nation pact, the council must convene a special session to reassess the situation when the buffer stock purchases reach 200,000 tonnes.

Malaysia, the world's largest natural rubber producer, feels it is not sufficient for the buffer stock to buy in spurts, as this does not have the desired effect on rubber prices.
Reuter

Farm land prices steady

By Our Commodities Editor

AVERAGE price for farmland, with vacant possession, in England fell to £4,360 per hectare in the three month period to July, according to the latest estimates issued yesterday by the Agricultural Development Advisory Service, in conjunction with the Agricultural Mortgage Corporation and the Country Landowners Association. This compares with an average of £4,382 for the three months to June.

However the weighted price, taking into account regional variations, shows an increase to £4,254—the highest level since June 1980. The price index (1973=100) at 219 is also at the highest level since June 1980.

ALUMINIUM

Bauxite agreement sought

BY CANUTE JAMES IN KINGSTON

THE International Bauxite Association, a group of 11 producing countries, is to seek a commodity agreement with consuming countries at UNCTAD discussions in Geneva in November.

The Geneva talks will be aimed at what Mr Ron Thomas, the IBA secretary general, says is a better deal for the member countries of the association.

The pact which the IBA is seeking, he explained here, will cover aspects of bauxite mining and refining and aluminium smelting, including ownership and control, integration of the industry, taxation, shipping, marketing and technology exchange.

"We are looking for an institutional agreement. We want to avoid another international organisation which is going to cost a fortune," Mr Thomas said.

"We want to go to Geneva and have open discussion with the consuming countries to make some progress at improving the lot of our members, some of whom are distinctly deserving of better treatment than they have had in the past."

The talks in Geneva will be coming at a time when the eight-year-old producers' group is pondering, apparently helplessly, on the damage to the economies of its poorer members because of the fall in demand for bauxite following the slump in the aluminium market.

Ironically, on paper, the IBA appears to be a very strong organisation when compared with other groupings of commodity producers.

Its members—Australia, the Dominican Republic, Ghana, Guinea, Guyana, Haiti, Indonesia, Jamaica, Surinam, Sierra Leone and Yugoslavia—contain within their collective borders most of the world's known reserves of bauxite ore.

IBA members last year produced 63.3m tonnes of bauxite, which was 72 per cent of the world's production.

The overall production figures, however, have frequently led to the question of the IBA's ability to becoming the "bauxite OPEC"—a suspicion held by many metal companies, and which was fuelled in the mid-1970s by the zeal of several members to copy, to varying degrees, the controversial bauxite production levy unilaterally imposed by Jamaica, and which led to significant increases in revenues.

Mr Thomas, and his predecessors at the IBA headquarters here, have stressed that a cartel was out of the question. "The association has been likened to other groups of producers who, by explicit agreement, have acted to limit competition," he said. "IBA has not done that and has not sought to act against consumers.

"The definition of a cartel does not apply to us. We do not manage prices and production, and bauxite is not the same as oil. If prices are too high, then substitutes for bauxite will be found."

The planned search for a commodity agreement in Geneva has been preceded by efforts by the IBA to seek a better relationship with the metal companies, and erase continuing suspicions of the organisations intentions.

The IBA has dedicated much of its time to discussing price formulae intended to get its members the best deal, while taking into account the state of the market. Each year the association recommends minimum prices to its members, intended to cover bauxite and alumina. These recommended prices are pegged to the price of ingot on the U.S. metals market.

"The prices recommended by the IBA are not rapacious," Mr Thomas argued. "They are intended to give some guidance to our members on the state of the market. The recommended prices are reasonable."

The IBA is clearly hoping that it can approach the UNCTAD talks after having disabused its critics of the impression that it is a confrontationist organisation bent on cartelisation.

It appears, however, that whatever success the IBA will encounter in Geneva, it will still be able to do very little about easing the problems of those members who rely heavily on earnings from bauxite.

Canberra boosts drought aid

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIA is facing its worst drought on record. The federal Cabinet, meeting in Adelaide, this week announced an aid package for farmers, comprising subsidies towards interest payments, and money to buy fodder.

The Prime Minister, Mr Malcolm Fraser, said the interest subsidies alone would total between A$40m and A$60m (£23.25m to £34.9m) in a full year.

Mr Peter Nixon, the minister for Primary Industry, said: "These decisions recognise the national significance and the growing seriousness of the drought, and are specifically aimed at helping farmers stay on their properties and retain valuable breeding stock. Since the last catastrophic drought in Australia in the mid-1960s, farmers have become larger and more capital intensive, and carry more debt."

The Australian Labor Party opposition welcomed the aid package, but severely criticised the government for waiting till a "crisis" had developed.

The drought is adding greatly to the pressure on Australia's balance of payments. Two weeks ago, the budget predicted that this year's deficit on current account would be approximately the same as last year's A$9.1bn.

But predictions were based largely on normal weather conditions, which might have provided a wheat crop of around 13m tonnes, with 5m tonnes almost certainly lost already. It was said in Canberra this week that the deficit on current account in 1982-1983 could exceed A$10bn.

Certainly the reduced wheat harvest is likely to lead to renewed calls for a formal devaluation of the Australian dollar.

This week, it was disclosed that 80,000 farms—60 per cent of Australia's total—were stricken. Mr Fraser said the position was one of "infinite seriousness."

The National Farmers' Federation held a special meeting in Canberra this week. It is drafting a report for the Cabinet, describing the extent of the problem, and suggesting further ways of alleviating it.

Worst hit is New South Wales. Queensland and Victoria are also badly affected, as are parts of south and western Australia.

Mr Nixon said that drought-hit properties were carrying 48m breeding ewes and 6m breeding cows, and stressed that these animals had to be protected.

According to Mr Nixon: "In the last two financial years, the Government has provided the states with more than A$110m for natural disaster assistance, A$92.6m of which was specifically for drought aid."

A meeting of state agriculture ministers on Monday will review current levels of aid. With more than 90 per cent of New South Wales officially drought-stricken, the NSW Minister, Mr Jack Hallam, has been touring the state to gather information for Monday's meeting.

The worst-hit crop is wheat. Latest forecasts for the 1982-83 harvest put production at between 8m and 9m tonnes, against 16.4m tonnes in 1981-82. In NSW, the crop could be as low as 1m tonnes, against 5.7m tonnes last year.

Unless the rains come soon, the net value of Australian farm output this year could fall by more than 50 per cent. In Canberra, the Bureau of Agricultural Economics says the value could fall to around A$2.25bn by the end of September.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	32.50-33.00	+0.20
Iranian Light	31.00	−1.0
Arabian Heavy	29.75-30.40	−0.12
North Sea (Forties)	33.50-33.60	+0.30
African (Bonny Light)	34.20-34.50	−0.02

PRODUCTS—North West Europe	CIF ($ per tonne)	
Premium gasoline	352-355	—
Gas oil	295-304	−2.5
Heavy fuel oil	155-160	−0.5

GAS OIL FUTURES

The market opened at the highs of the day. Failure to break through these levels and continued strength in the dollar caused prices to slip until late afternoon. Short covering then brought the market up by $2.00 on the close, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Sept.	295.75	−1.25	298.00-94.25
Oct.	299.00	−1.75	301.00-97.00
Nov.	302.00	−1.50	304.25-00.00
Dec.	302.75	−1.25	304.00-01.00
Jan.	302.75	−1.25	305.50-01.00
Feb.	297.50	2.75	—
March	297.50	−1.00	296.00-96.00
April	295.50	+4.50	—
May	293.00		

Turnover: 1,952 (2,122) lots of 100.

GOLD MARKETS

Gold fell $11 an ounce from Tuesday's close in the London bullion market yesterday to finish at $402-403. The metal opened at $403-404 and touched a high of $406-406½ before easing back to close at its lowest level of the day.

In Frankfurt the 12½ kilo bar was fixed at DM 32,380 per kilo ($403.25 per ounce) against DM 32,750 ($407.86) previously and closed at $405-406 from $412½-413½.

In Paris the 12½ kilo bar was fixed at FFr 89,750 per kilo ($398.13 per ounce) in the afternoon compared with FFr 89,750 ($398.10) in the morning and FFr 90,000 (398.84) on Tuesday afternoon.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $403.50 from $411.50.

In Zurich gold finished at $403-$406 compared with $413½-414.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	£ per troy ounce		
Sept'mb'r	232.00-3.50	−7.250	—
October	234.00-4.50	−8.525	235.50-5.00
November	235.50-8.00	−5.150	—
December	237.40-9.00	−8.700	—
January	238.00-41.0	−3.400	—
February	239.00-43.0	−5.900	—
March	240.10-5.00	−10.45	

Turnover: 132 (146) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Sept. 1		Aug 31	
Close	$402-403	(£233½-234)	$413-414	(£240¼-241¼)
Opening	$403-404	(£234¼-235¼)	$413½-414½	(£241½-242)
Morning fixing	$404.25	(£235.508)	$409.60	(£238.556)
Afternoon fixing	$405.25	(£234.855)	$411.50	(£239.523)

Gold Coins Sept. 1					
Krugrnd	$411-412	(£239-239½)	King Sov	$95½-97	(£55¼-56)
½ Krug	$212¼-215½	(£123½-124½)	Victoria Sov	$95½-97	(£55¼-56)
¼ Krug	$108½-109½	(£63-63½)	French 20s	$83-84½	(£48½-49¼)
1/10 Krug	$44¼-45¼	(£25¾-26¼)	50 pesos Mex.	$483-485	(£268½-282)
Mapleleaf	$411-412	(£239-239½)	100 Cor. Aust	$393-394	(£226½-229)
New Sov	$90-96½	(£55½-56)	$20 Eagles	$435-445	(£258-258½)

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BRITISH COMMODITY MARKET

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper moved up to £848 prior to closing at £846 reflecting the overnight trend on Comex, while good physical interest lifted Zinc to £431 at the close. Lead dropped to £307 on news that Asarco had cut their producer price by 2 cents but subsequently rallied to £310 following Asarco's move to lift the producer price by 1 cent. Tin was finally £7,455 owing to support by the buffer stock manager.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
HighGrde				
Cash	827.5	−1.5	836.5-7.5	−4.3
3 mths	839.5	−5.5	847.8	−4.25
Settlem't	827.5	+2.5	—	
Cathodes				
Cash	791.5	−4	—	
3 months	812.4	−3.75	803.5	−2
Settlem't	793	+4	825.5	−3
U.S. Prod.	—		68.73	

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £826.00, 27.00, 28.50, three months £844.00, 43.50, 42.00, 42.50, 41.00, 39.00, 38.00, 39.00, [illegible] 38.50, 33.00, 33.50. Kerb: Higher Grade, three months £841.50, 42.00, 44.50, 43.50, 43.00, 43.50. Afternoon: Higher Grade three months £848, 47, 47.5, 47, 48 1.48, 47, 46.5, 47, 47.5. Kerb: Higher Grade, three months £848, 49, 48, 48.5, 47, 47.5, 47. Turnover: 24,325 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7560-70	[illegible]	7540-5	[illegible]
3 months	7470-5	−45	7450-5	[illegible]
Settlem't	7570	−15	—	
Standard				
Cash	7560-70	−22.5	7540-5	[illegible]
3 months	7470-5	−45	7450-5	[illegible]
Settlem't	7570	−15	—	
Straits E.	$29.21	−0.15	—	
NewYork	—			

Tin—Morning: Standard, cash £7,570, three months £7,570, 65, 60, 62, 65, 70. High Grade, cash £7,580. Kerb: Standard, three months £7,470, 60. Afternoon: Standard, cash £7,540, [illegible] Sept £7,540, three months £7,460, 55, [illegible]

LEAD — [illegible]

ZINC — [illegible]

Aluminium — [illegible]

NICKEL — [illegible]

SILVER

Silver was fixed 2.2p an ounce lower for spot delivery in the London bullion market yesterday at 443.0p. U.S. cent equivalents of the fixing levels were: spot 759.0c, down 4c; three-month 790.6c, down 3.2c; six-month 813c, down 0.7c; and 12-month 851.0c, down 1c. The metal opened at 444-445p (765-775c) and closed at 441-443p (760-765c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unofficial	+ or −
Spot	448.00p	−2.20	439.25p	−17.8
3 months	459.50p	−2.00	450.50p	−15.7
6 months	469.75p	−0.35	—	
12 months	493.00p	−0.60	—	

LME—Turnover 117 (73) lots of 10,000 ozs. Morning: Three months 457.0, 59.0, 59.5, 60.0, 60.2, 60.0. Kerb: Three months 462.0, 60.5. Afternoon: Three months 459, 52, 51. Kerb: Three months 449, 52.

COCOA

Futures remained steady in quiet conditions as dealer and commission house short covering caused prices to close at the highs of the day. Producers showed no inclination to resume sales at current levels. While offtake among consumers was again scarce reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
Sept.	905-07	+12.5	907-893
Dec.	952-53	+15.5	953-33
March	982-83	+17.0	984-66
May	1000-01	+15.0	1001-986
July	1016-19	−10.5	1012-00
Sept.	1032-38	−17.5	1030-20
Dec.	1054-56	+19.5	1041-38

Sales: 2,462 (1,771) lots of 10 tonnes.
ICCO—Daily price for Sept 1: 72.77 [illegible]. Indicator price for Sept 2: [illegible] (73.13).

COFFEE

Robustas continued the recent steady trend with spot Sept briefly testing the contract high of 1,345 reports Drexel Burnham Lambert. Trade selling [illegible] a disappointing New York [illegible]

[illegible]

GRAINS

[illegible]

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 101.50, E. Mids 101.50, N. East 101.60, Scotland 101.00. The UK Monetary Coefficient for the week beginning Monday September 6 is expected to remain unchanged.

RUBBER

The London physical market opened slightly unchanged, attracted little interest throughout the day and closed dull. Lewis and Peat recorded a September fob price for No 1 RSS in Kuala Lumpur of 198.5 (199.5) cents a kg and SMR 20 171.0 (172.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Oct	51.30-51.70	51.80-51.40	—
Nov	51.80-52.00	51.60-51.80	—
Oct-Dec	51.50-52.00	51.70-51.80	52.00-51.70
Jan-Mar	54.40-54.60	54.20-54.30	54.60-54.10
Apl-Jne	56.90-57.00	56.70-56.80	56.80-56.70
Jly-Sept	58.40-58.50	58.20-58.30	58.40
Oct-Dec	62.00-62.10	61.70-61.80	—
J'n-Mch	64.50-64.60	64.20-64.50	—
Apl-Jne	67.00-67.10	66.90-67.00	67.00-66.90

Sales: 124 (88) lots of 15 tonnes; nil (6) lots of 5 tonnes.
Physical closing prices (buyers) were: Spot 50.50p (same); Oct 51.00p (same); Nov 51.50p (same).

SOYABEAN MEAL

Prices opened around unchanged in dull trade, reports T. G. Roddick, and drifted in featureless conditions on lack of any fresh news.

	Yesterdys Close	+ or −	Business Done
	£ per tonne		
October	120.50-20.5	−1.80	121.40-20.50
Dec	122.80-22.7	−0.55	125.50-22.60
Feb	126.50-26.6	−0.20	127.50
April	127.50-27.8	−0.65	—
June	129.00-29.1	−0.85	129.60-29.00
August	130.50-30.7	−0.75	130.50
October	129.00-35.5	−1.50	—

Sales: 42 (50) lots of 100 tonnes.

SOYABEAN OIL—The market opened $2.00 higher but eased on mixed selling. Closing prices and business done (U.S. $ per tonne): Oct 435.00, 44.00, [illegible]

SUGAR

LONDON DAILY PRICE—Raw sugar £89.00 (£90.00) a tonne cif Sept-Oct shipment. White sugar daily price £110.00 (£110.00). [illegible]

[illegible] 420, 417-418; Mar 418, 425, 421. Sales: 60.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business). Australian cents per kg. [illegible]

LONDON NEW ZEALAND CROSSBREDS—[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	Sept. 1 1982	+ or −	Month ago
Metals			
Aluminium	£810/815		£810/815
Free Mkt	$960/990	−5	$946/976
Copper			
Cash h grade	£857.0	+4.5	£857
3 mths	£847.5	+4.25	£866.5
Cash Cathode	£804	+5	£832.5
3 mths	£824	+5	£848.5
Gold troy oz	$402.5	−11	$345.5
Lead Cash	£297	−4.5	£301
3 mths	£308.25	−3.5	£311.75
Nickel	£4021.5	−1.5	£4023
Free mkt	210/240c	−5	250/260c
Platin'mtr oz'y	£260		£260
Freemkt	£121.70	−5.45	£165.40
Quicksilvert	$368/370	+5	$355/365
Silver troy oz	448.00p	−2.2	392.85p
3 mths	459.50p	−2.0	403.85p
Tin Cash	£7542.5	−22.5	£7000
3 mths	£7452.5	+17.5	£6945
Tungsten 22.04lb	$111.43		$111.10
Wolfrm 22.04lbs	$101/106		$104/108
Zinc Cash	£428.25	+7.25	£409.5
3 mths	£431.75	+8.25	£415.5
Producers	$800		$800
Oils			
Coconut (Phil)	$405u	−10	$440
Groundnut	$570u		
Linseed Crude	‡		‡
Palm Malayan	$400t		$405
Seeds			
Copra Philip	$280y		$295
Soyabean (U.S.)	$253.5	+0.5	$250.5
Grains			
Barley Fut. Nov	£102.15	+0.1	£108.95
Maize	£136.00		‡
Wheat Fut. Nov	£113.90	−0.1	£113.65
No.2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£993	+15	£918.5
Future Dec	£952.5	+15.5	£921
Coffee Ft' Nov	£1253.5	+9.0	£1,057
Cotton A.Index	74.35c	−0.40	78.50c
Gas Oil Oct	$299	−1.75	$279.75
Rubber (kilo)	50.5p		49.75p
Sugar (Raw)	£89u	−1	£103
Woolt'ps 64s kl.	378p kilo		382p kilo

‡ Unquoted. x Aug-Sept. u Sept-Oct. y Sept. t Oct. † Per 16 lb flask. * Ghana cocoa. n Nominal.

INDICES

FINANCIAL TIMES

Aug. 31	Aug. 27	M'th ago	Y'ar ago
229.60	226.58	230.27	256.70

(Base: July 1 1952 = 100)

REUTERS

Sept. 1	Aug. 31	M'th ago	Y'ar ago
1526.6	1525.9	1548.2	1644.2

(Base: September 18 1931 = 100)

MOODY'S

Aug. 31	Aug. 31	M'th ago	Y'ar ago
100.2	100.1	1005.8	1023.0

(December 31 1931 = 100)

DOW JONES

Dow Jones	Aug 31	Aug 30	Month ago	Year ago
Spot	125.72	125.74	123.64	—
Futr's	129.07	192.71	126.21	—

(Base: December 31 1974 = 100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 16 tonnes. Limited dealings ensued, without much pressure for supplies. Users appeared to have satisfied their immediate needs in steady buying during the past couple of weeks. Minor support came in South American and African growths.

HIDES—Birmingham: the market was firmer. Second clears. Ox: 31-35.5kg, 59.1p a kg (58.0p a kg withdrawn); 26-30.5kg, 66.0p a kg (64.4p); 22-25.5kg, 70.2p a kg (69.9p). Light cows: 25.5kg, 88.3p a kg (87.2p withdrawn).

POTATOES

LONDON POTATO FUTURES—The market continued quiet with prices rising slowly, reports Coley and Harper. Closing prices: Nov 57.80, +0.40 (high 58.10, low 57.50); Feb 67.10, +0.50 (67.20 only); April 77.20, +0.80 (high 77.40, low 77.00); May 87.30, +0.40 (high 87.40, low 87.00); Nov 66.20, unchanged (untraded). Turnover: 112 (7) lots of 40 tonnes.

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 79.0 to 84.0; Ulster hindquarters 98.0 to 100.0, forequarters 57.5 to 59.5; Veal: Dutch hinds and ends 126.0 to 130.0; Lamb: English small 82.0 to 87.0, medium 80.0 to 84.0, heavy 56.0 to 60.0; Scotch medium 57.0 to 61.0, heavy 56.0 to 58.0; Imported—New Zealand PL 58.3 to 60.0, PM 58.0 to 59.5, PX 58.0 to 57.5, YC 58.0 to 59.0; Pork: English, under 100 lb 37.0 to 52.5, 100-120 lb 44.0 to 61.5, 120-160 lb 40.3 to 49.3; Grouse: Young, best (each) 220.0 to 250.0, Old (each) 160.0 to 200.0.

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shell cod £6.00-£7.20, codlings £4.00-£5.20; large haddock £4.00-£6.00, medium £2.50-£3.80, small £1.60-£2.10; large plaice £7.00, medium £5.60-£6.80; best small £4.00-£5.60; lemon soles (large) £10.00, (medium) £9.00; rockfish £2.30-£2.80; reds £1.80-£2.60; saithe £2.20-£2.80.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Navels/Lates 40 5.20, 48 5.70, 56 6.00, 72 6.20, 88 5.75, 122 5.30, 138 5.85, 150 5.25; Brazilian: 5.00-5.50. Mandarines — Brazilian: 5.00-5.50. Minneolas—Outspan: 42/89 5.00-5.50. Lemons—Spania: trays 5 kg 25/50 1.30-1.80; Outspan: 15½ kg 80/195 3.00-5.00. Grapefruit—Outspan: 27 4.80, 32 5.95, 36 6.10, 40 6.00, 48 5.50, 56 5.80, 64 5.15, 72 4.35—Ruby same as White. Apples—New Zealand: Granny Smith 11.50-12.00; U.S.: 18 kg Red Delicious 10.00-14.00; French: 18 kg 3.90-4.10, 9 kg 2.00-2.10. Pears—French: 28 lb loose Williams 3.40-5.60, tray pack 19 lb 2.40-2.50; Italian: Per pound tray pack Williams 0.14-0.18; Spanish: Per pound 0.14-0.18. Peaches—Italian: Large trays 1.60-2.40; French: 1.40-2.50. Plums—Italian: Stanley 20 lb 2.80-3.00, 20 lb Gian: 2.80-3.00; French: President.

English Produce: Potatoes—Per pound, 0.03 to 0.03½. Mushrooms—Per pound, open 0.40-0.50, closed 0.60-0.70. Lettuce—Per 12, round 0.80-1.40, Webb's 1.20-2.00, Cos 1.50-2.00. Spring Onions—Per bunch 0.05-0.08. Pickling Onions—Per 55 lb 3.00-3.50. Leeks—Per 11 lb 1.50-2.00. Primo Cabbage—Per 25 lb 1.20-1.50. Cabbages—Per 28-30 lb White/Red 2.00. Fennel—Per 5 lb 1.50. Carrots—Per 26-28 lb 0.80-1.40, bunch 0.05-0.10. Courgettes—Per 12 lb 2.40-3.80. Cucumbers—Per package 1.80-2.20. Tomatoes—Per 12 lb box D/E 1.50-1.80. Cauliflowers—Per 12 Lincoln 3.50-4.50. Celery—Per 18-36 winter crop 2.80-3.00. Stick Beans—Per pound 0.18-0.25. Pumpkins—Per pound 0.10. Marrows—Per box 0.80-1.20. Sugar Peas—Per pound 1.00-1.20. Turnips—Per 28 lb 1.40-1.60. Swedes—Per 28 lb 1.20. Parsnips—Per 28 lb 1.50-2.20. Apples—Per pound, Bramley 0.12-0.14, Grenadiers 0.08-0.10, Discovery 0.08-0.15, Nowgate 0.10, Derby 0.10, George Cave 0.05-0.10, Tydeman's 0.08-0.15, Pearmains 0.10-0.15. Strawberries—Per 8 oz 0.20-0.50. Blackberries—Per 8 oz 0.20-0.25. Blueberries—Per 8 oz 0.70. Raspberries—Per 4 oz 0.60-0.70. Plums—Per pound, Victoria 0.12-0.20, Belle's 0.10-0.14. Damsons 0.15, Monarch 0.15-0.20, Giant 0.10-0.12, Pondo 0.14-0.18. Gages—Per pound 0.10-0.15. Corn on Cob—Each 0.05-0.10. Cobnuts—Per pound 0.45-0.50.

AMERICAN MARKETS

NEW YORK, Sept. 1.
Gold and silver came under pressure from lon liquidation prompted by upward pressure to interest rates. Copper was featureless but lightly supported by commission houses. Cocoa rallied on light commission house buying. Coffee was under pressure from profit taking. Sugar attracted light buying interest on the failure to attract fresh selling. Cotton recovered on local short covering. Wheat rallied on the good absorption of deliveries. Maize was mixed with soyabeans firm on a general lack of fresh news. Heating oil was mixed with support to the nearbys on technical buying, reported by Heinold Commodities.

Copper—Sept 62.30-62.70 (62.50), Oct 63.15 (63.05), Nov 63.80, Dec 64.35-64.50, Jan 65.05, Mar 66.10-66.20, May 67.00-67.20, July 68.40, Sept 69.50, Dec 71.20, Jan 71.80, Mar 72.95, May 74.10, July 75.25. Sales: 8,500.

*Platinum—Oct 319.0-321.0 (317.1), Jan 327.0 (324.8), April 334.5, July 343.0, Oct 352.0.

Potatoes (round whites)—Nov 67.0-67.7 (67.0), Feb 67.0 (66.5), Mar 76.0, April 87.0. Sales: 72.

Sugar—No. 11: Oct 8.84-8.88 (8.63), Jan 7.55 (7.33), Mar 8.00-8.03, May 8.30-8.31, July 8.50-8.54, Sept 8.84, Oct 8.90. Sales: 7,364.

Tin—597.00-599.00 (595.00-600.00).

CHICAGO, Sept. 1.
Lard—Chicago loose 21.25 (same).
Live Cattle—Oct 61.47-61.80 (61.65), Dec 61.80-61.95 (61.67), Feb 61.40-61.60, April 61.80-61.90, June 62.65, Aug 61.20.

Live Hogs—Oct 62.00-62.10 (61.75), Dec 59.87-60.00 (59.75), Feb 57.02-57.10, April 52.97-53.05, June 52.80, July 51.55-51.85, Aug 48.70.

‡‡Maize—Sept 227¼-226¾ (226½), Dec 229-229½ (229½), Mar 245¼-245½, May 255-255½, July 261¼-261½, Sept 265½.

Pork Bellies—Feb 86.10-86.50 (86.65), Mar 84.40-84.70 (84.05), May 82.45, July 78.05-78.30, Aug 75.47.

‡Soyabeans—Sept 555-554½ (553¾), Nov 562-563 (559½), Jan 577-576½, Mar 592½-593, May 604, July 615½, Sept 617½, Nov 620½.

||Soyabean Meal—Sept 160.5-160.7 (160.7), Oct 160.3-160.1 (160.3), Dec 164.8-165.0, Jan 167.5-167.6, May 174.0, July 170.5-170.8, Aug 177.0-177.5, Sept 177.0-177.5.

Soyabean Oil—Sept 17.40-17.43 (17.25), Oct 17.53-17.55 (17.57), Dec 17.95, Jan 18.20-18.18, Mar 18.50, May 18.70-18.80, July 18.20, Aug 19.35-19.40, Sept 19.60-19.65.

†Wheat—Sept 338½ (334), Dec 360½-360¾ (356¾), Mar 378½-379, May 386, July 387.

WINNIPEG, Sept. 1.
§Barley—Oct 101.8 (101.7), Dec 102.1 (101.5), Mar 107.1, May 108.5, July 109.9.

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

††Cocoa—Sept 1379 (1400), Dec 1475 (1477), March 1527, May 1564, July 1601, Sept 1638. Sales: 1,005.

Coffee—"C" Contract: Sept 133.80-134.00 (132.75), Dec 128.75-128.90 (125.76), March 118.21-118.40, May 113.00-112.20, July 109.25-109.75, Sept 105.00-106.50, Dec 102.50-102.51. Sales: 1,752.

Cotton—No. 2: Oct 63.60-63.75 (64.08), Dec 65.65-65.75 (66.12), March 68.30-68.40, May 69.90-70.00, July 71.85-71.86, Oct 72.85-73.00, Dec 73.40. Sales: 3,500.

Heating Oil—(cents per U.S. gallon): Sept 93.75-94.15 (92.90), Oct 94.30-94.40 (93.41), Nov 95.00-95.15, Dec 95.95-96.15, Jan 96.30, Feb 97.00, March 94.00, April 90.00, May 90.50.

Orange Juice—Sept 130.65 (130.90), Nov 131.90 (130.80), Jan 132.10, March 132.50, May 133.50, July 134.40-134.50, Sept 135.30-135.50, Nov 134.60-135.00, Jan 133.10-133.75. Sales: 750.

*Platinum—Oct 316.0-318.0 (314.5), Jan 324.0 (322.7), April 335.0, July 341.0, Oct 350.0. Sales: 5,084.

Chicago Imm Gold—Sept 408.0 (408.1), Dec 418.7-418.5 (418.1), March 432.0, June 443.3, Sept 456.9.

EUROPEAN MARKETS

ROTTERDAM, Sept. 1.
Wheat—(U.S. $ per tonne): U.S. No Two Red Winter Sept 142. U.S. No Three Amber Durum Sept 162, Oct 168, Nov 171, Dec 175. U.S. No Two Northern Spring 14 per cent Sept 172.50, Oct 173.50, Nov 177.50, Dec 180.50.

Maize—(U.S. $ per tonne): U.S. No Three Yellow afloat 122, Aug 117, Sept 112.50, Oct 107.50, Nov 107.50, Dec 108.50, Jan/Mar 118 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Sept 230.50, Oct 221, Nov 221, Dec 225.50, Jan 231, Feb 236, Mar 239, April 241, May 243 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 206, Sept 202, Oct 199.50, Nov 200, Dec 203, Nov/Mar 207, Jan/Mar 211, April/June 216, April/Sept 218 sellers. Pellets Brazil unloading 200, afloat 205, mid-Aug/mid-Sept 205, Sept 206, Oct 212, Oct/Dec 217, Nov/Mar 225 sellers.

PARIS, Sept. 1.
Sugar—(FFr per tonne): Oct 1336-1340, Nov 1350-1360, Dec 1388-1390, Mar 1515-1518, May 1565-1570, July 1585-1595, Aug 1625-1629, Oct 1675-1690. Sales at call: 2.

$200m floating rate issue from Bankers Trust NY

BY ALAN FRIEDMAN

BANKERS TRUST NEW YORK, the ninth largest U.S. bank, is raising $200m through the issue of floating rate Euronote paper bearing an interest margin of ⅛ per cent above the mean of the bid and offered three-month London interbank rates.

The 12-year paper carries a 5¼ per cent minimum coupon and is lead-managed by Bankers Trust and Morgan Stanley. This is the first time since 1965 that Bankers Trust has offered a Eurobond.

In the U.S. bond market, meanwhile, Australia has announced a $400m two-tranche Yankee bond; the first portion matures in 10 years and the second $200m carries a 25-year maturity. Morgan Stanley is lead manager.

Prices of Eurodollar bonds yesterday gained around ½ point in light secondary trading. The market's attention was focused upon this week's new issues for Manitoba, Bank of Tokyo and Compagnie Financiere de Paribas. The Bank of Tokyo 13¾ per cent seven year bonds were said to be selling rather well; pre-market prices were reported to be 99¼ to 99¾ against an issue price of par.

The Bank of Tokyo deal involves an interest-rate swap whereby a counterparty agrees to service the 13¾ per cent fixed-rate interest and the Bank of Tokyo takes over the counterparty's floating rate debt. It was learned last night that the main intermediary for the counterparty is none other than Bankers Trust. The U.S. bank is passing the 13¾ per cent Bank of Tokyo rate to one of its clients and earning an additional fee.

Bankers involved in the deal maintained, however, that the $200m floating rate deal for Bankers Trust is not connected to the interest rate swap deal with Bank of Tokyo, despite the coincidence of timing.

The Euro D-Mark bond market closed unchanged last night while the Swiss franc sector was slightly improved amid moderate trading activity. A SwFr 20m 5-year 6¾ per cent convertible bond is being placed privately for Itoman, the Japanese textiles group. Banca del Gottardo is arranging the placement.

In the European Currency Units market an ECU 30m 10-year issue is out for the Council of Europe through Societe Generale. The coupon is 13½ per cent and the paper may be called back by the borrower after the sixth year at 102.

Marietta counterbid rejected by Bendix

By Richard Lambert in New York

THE BENDIX Corporation board has rejected as grossly inadequate Martin Marietta's cash tender offer for just over half of Bendix's shares at $75 a share.

The bid was announced on Monday, in response to an unwelcome offer last week by Bendix the maker of motor parts, aerospace components and other industrial products, to acquire control of Martin Marietta, the diversified aerospace group.

Meanwhile, Martin Marietta yesterday turned to the courts as part of its all-out effort to halt the takeover bid from Bendix. It filed a suit in a Maryland federal court alleging that the Bendix offer was illegal and would cause "irreparable harm" to Martin Marietta's customer base and shareholders. The suit claimed $100m in damages against Bendix.

Martin Marietta made it clear, however, that it was not actively engaged at present in takeover talks with other companies, but was reserving all its options.

Mr William Agee, chairman of Bendix, said the Bendix offer was "the proper means for achieving what now appears to be our common aim of combining the two companies."

He added: "We are determined to push our transaction through to completion. If Martin Marietta persists in its diversionary scheme, we will acquire more than 50 per cent of Martin Marietta's shares in our initial cash offer."

In connection with this, the company filed a pre-merger notification under anti-trust laws which would allow it to acquire more than 50 per cent of the shares in its tender offer compared with its original offer for 45 per cent.

Martin Marietta is trying to encourage Bendix shareholders to accept its bid quickly, by offering a generous $75 a share, for just over half of Bendix's shares, followed by a paper offer for the rest, which may be worth no more than about $55 a share.

Bendix said that this was "blatantly discriminatory and unfair." It also indicated that it was starting litigation against the company.

Bendix shares closed last night at $56.5, down 50 cents, while Martin Marietta shares closed unchanged at $40.

● Martin Marietta said Mr Charles E. Hugel has resigned from its board, Reuter reports from Bethesda. Earlier, it was announced that Mr Hugel became president of Combustion Engineering. Marietta said "an apparent conflict in the marketplace" between Marietta and Combustion was the reason for Mr Hugel's decision.

New Jacobs move to win control of Pabst Brewing

BY OUR FINANCIAL STAFF

MR IRWIN JACOBS, the dissident shareholder whose bid for Pabst Brewing was withdrawn in July after running into trouble with the Justice Department, yesterday disclosed a fresh plan for a change of control at the Milwaukee-based brewer.

He said that his Shareholders' Committee to Revitalise Pabst has filed with the Securities and Exchange Commission its "intention to solicit consent of Pabst shareholders for the removal of the present board and its election of the Committee's nominees. Mr Jacobs and three associates hold about 14 per cent of Pabst's 8.2m shares.

In Minneapolis yesterday, Mr Jacobs also said that if he and his associates succeed in their plan, they intend to take Pabst into private ownership.

In their filing to the SEC, the Committee said that if its nominees are elected to the board of Pabst it plans to begin "immediately" a tender offer by Pabst for 4m of its own shares—or about 49 per cent of the total equity—at $23 each.

Mr Jacobs said the Committee would then offer some combination of cash debentures and equity with at least $21 a share comprising securities for the rest of Pabst's equity.

Mr Jacobs' previous offer for the Pabst equity was to have been in the form of a tender offer of either $22 or $24 a share, depending on whether the brewing company completed a merger with Olympia Brewing, a move launched to thwart Mr Jacobs.

Another heavy loss at Wickes

By Our Financial Staff

A LOSS of $566,000 for the second quarter of this year is reported by Wickes, the Los Angeles-based retailer and manufacturer currently operating under Chapter 11 of the Bankruptcy Acts. Wickes turned in a loss of $258.3m for fiscal 1982 and a $156.4m deficit for the first quarter of this year.

Mr Sanford Sigoloff, chairman, said yesterday that he expects to be able to report continued improvement throughout the remainder of the year. In last year's second quarter, Wickes earned $1.6m or 7 cents a share.

For the first six months, Wickes has lost $157m compared with a profit of $4.6m, sales have fallen only modestly.

Mr Sigoloff said that the board will be taking a number of "rehabilitative programmes" to the company's creditor committees in the near future.

A bank's new chief will have his work cut out, William Hall reports

Fresh Canadian blood at Orion

MR JOHN ABELL, the 51-year-old Canadian national who will take over as chief executive of Orion Royal Bank in November, will be the bank's fourth chief executive in three years, and his appointment underlines the uneasy relationship which exists between big commercial banks and their merchant banking offshoots.

The Royal Bank took over Orion—one of the City's biggest consortium banks—last year for around £50m ($85.6m) and replaced Mr Jeff Cunningham as chief executive with their own man, Viscount Hardinge, who was running Royal Bank of Canada (London)—a small merchant bank.

Mr Cunningham himself had only held the job for 18 months, having replaced Mr David Montagu at the end of 1979 after the latter quit following differences of opinion with shareholders about the future direction of the bank.

Now the Royal Bank of Canada has decided to reshuffle the top management again and bring in Mr Abell, who has spent the past 27 years working for Wood Gundy, Canada's leading investment banker. As one of the firm's vice-chairmen, he has built a reputation as one of Canada's leading corporate finance men.

Mr Abell is no stranger to the UK. Born in Kent and educated at Oxford, his father was a director of the Bank of England and he has a brother, Mr T. G. Abell, who is a managing director of Baring Bros., one of the City's leading accepting houses.

However, Mr Abell will have his work cut out at Orion Royal Bank. Four years ago it was the biggest consortium bank in London and making pre-tax profits of over $20m.

Its profits in its last financial year have dropped to an annualised rate of less than $10m despite a near doubling in its balance sheet, it has lost several senior executives since the Royal Bank takeover, and its management is top heavy. It has lost much of the momentum it had under Mr David Montagu when it was establishing itself as an independent merchant bank.

At last count, Orion Royal had three deputy chairmen, two vice-chairmen, three managing directors, one executive vice-president, 36 directors and 21 associate directors. Observers believe that the Royal Bank of Canada needs to get to grips quickly with Orion Royal's big overheads, and this will be one of Mr Abell's first tasks.

Since it was established in 1970 Orion has concentrated its efforts on international capital markets and loan syndications. Last year, for example, it lead-managed or co-managed 129 syndicated credits totalling $19.6bn, and in the capital markets it lead-managed or co-managed 91 issues totalling $6.1bn. It is one of only three international institutions which ranks among the top 15 lead managers in both the Eurobond and Eurodollar syndicated loan markets. However, its profitability has not matched its visibility in these markets.

Mr Geoff Styles, who heads the Royal Bank's merchant banking division, says that this sort of business tends to ebb and flow and Orion is not immune to some of the loan problems afflicting other international banks.

As a result, the Royal Bank is anxious to broaden Orion's scope putting increasing emphasis on investment banking activities such as corporate finance, advisory services, portfolio management and mergers and acquisition.

ORION ROYAL BANK

	Pre-tax profits $m†	Assets $m
1974	8.4	944
1975	12.7	1,231
1976	16.7	1,715
1977	17.5	1,762
1978	17.3	1,914
1979	14.6	2,115
1980	12.4	2,203
1981	*9.6	3,329

* Nine months figures annualised
† All figures converted from £ sterling at current exchange rate

This is where Mr Abell fits in. At Wood Gundy he has worked extensively in the corporate finance field and most recently has been advising the Canadian Government about how to solve the financial problems of Massey Ferguson. He will bring to Orion a knowledge of the top Canadian corporations and strengthen its efforts in this area.

Mr Styles says that Mr Abell's appointment should be seen as "an evolutionary step." He stresses that Viscount Hardinge has done a good job merging the Royal Bank of Canada (London) with Orion, but believes that it is in the long-term interests of the bank to be run by a career merchant banker.

Viscount Hardinge, a career Royal Banker, will stay on as deputy chairman of Orion Royal Bank. He will have broad senior management responsibilities and will focus his attention on Orion's traditional commercial banking-related services, including syndicated loans. Mr Jock Finlayson, the Royal Bank's president, says that Viscount Hardinge will work closely with The Royal Bank of Canada and its subsidiaries in their joint effort to develop new services and initiatives.

Since the takeover of Orion last year, there has been growing unease among some Orion executives about the loss of independence which the takeover implied. Mr Abell's appointment underlines the Royal Bank's acceptance that it needs to give its merchant banking arm a certain measure of independence. Whether this is sufficient to ensure that Orion Royal can rebuild its reputation as an independent international merchant bank which can match the competition of the London accepting houses and the U.S. investment banks, only time will tell.

Transco set for record year

BY OUR FINANCIAL STAFF

DESPITE DISAPPOINTING second quarter returns from its exploration offshoot, Transco Energy—which changed its name from Transco Companies in May—is still confident that it will set another record and comfortably exceed $6.00 a share. Wall Street analysts have been predicting earnings of between $6.25 and $6.30 a share.

Earnings totalled a record $140m or $5.41 a share for the whole of 1981 with the exploration unit contributing 34 per cent of the total.

Mr W. J. Bowen, chairman and chief executive, has already predicted record profits this year because of improved pipeline results and tax credits for participation in the Great Plains coal gasification project.

Gas sales by the group's principal subsidiary, Transcontinental Gas Pipe Line, increased by 5 per cent in the second quarter this year and should comfortably exceed 1981's total 902bn cu ft, Mr Bowen said in Houston yesterday. Transcontinental's 1,800-mile line from South Texas to New York City provides two-thirds of the gas used in the New York-New Jersey-Philadelphia area.

Mr Bowen said the parent company was not satisfied with Transco Exploration's rate of discoveries this year. "The big elephants have eluded us," he said, adding that drilling activity will pick up in the second half.

The subsidiary's second quarter net fell 60 per cent as a result of lower prices for its oil production and increased costs, while its natural gas sales were flat.

Discussing Transco's entry into the coal business with the purchase last April of three subsidiaries of General Energy Corporation for $70m, Mr Bowen said the company hopes to expand on that base to become a sizeable coal producer.

Transco would expect to become involved in coal slurry pipelines if Congress passed legislation granting such pipelines the right of eminent domain, he stated.

GMAC shelf registration

By Our Financial Staff

GENERAL MOTORS Acceptance Corporation (GMAC), the motor giant's financing and insurance subsidiary, filed a shelf registration with the Securities and Exchange Commission of its debt securities from which the company will receive up to $1bn in net proceeds.

GMAC may sell the securities directly to purchasers, as well as through agents, dealers and underwriters.

Firms which may act as managing underwriters are Morgan Stanley, First Boston Corporation, Merrill Lynch White Weld Capital Markets and Salomon Brothers.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday September 14. Closing prices on September 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	104½	105	+0¼	−0½	13.19
Amex Int. Fin. 16¼ 92	75	101½	101⅞	0	−0⅞	15.85
Amex O/S Fin 14¼ 89	75	99⅞	100¼	+0¼	−0½	14.23
ATT 14¼ 89	400	104¾	105¼	−0¼	−0½	13.05
Baker Int. Fin. 0.0 92	225	27⅞	28¼	−0⅛	−0½	14.42
BHP Finance 14¾ 89	150	99½	100	+0⅛	−0¾	14.76
Bk. Amer. NT SA 12 87	200	96⅛	96⅝	−0¼	−0½	13.04
Bk. Montreal 14½ 87	100	98¾	99¼	−0¼	−0⅞	14.75
Bque. Indo Suez 15 89	100	100	100½	−0¼	−0¾	14.83
British Col. Hyd. 14¾ 89	200	103⅞	104⅛	−0⅛	−0½	13.72
British Col. Hyd. 15¼ 92	150	105⅝	106⅛	+0⅛	−0¾	14.09
Canada 14⅛ 87	750	104	104⅛	−0⅞	−0½	13.03
Canadair 15¼ 87	150	104½	105	−0¼	−0¾	13.94
Canadian Pac. 14⅜ 92	75	100½	100⅞	−0⅛	−0½	14.47
Can. Pac. Sec. 15 89	75	99¾	100¼	−0¼	+0¼	14.99
CIBC 16 87	100	100¼	100¾	+0⅛	−0½	15.74
Citicorp O/S 15 84/92	100	101½	102	−0¼	−0½	13.56
Citicorp O/S 15¾ 85/97	125	102½	102⅞	−0½	−0⅞	14.96
CNA 15⅞ 97	75	105⅝	106⅛	−0¾	−1½	14.92
Con. Illinois 15¾ 89	100	97⅞	98½	−0⅝	−0¼	16.16
Deutsche Bk. F. 14⅞ 89	300	100½	101	−0⅝	−0⅝	14.07
Duke Pwr. O/S 15½ 89	60	103⅞	104⅜	0	−0½	14.43
Du Pont 14⅜ 89 WW	200	101¼	101¾	+0¼	+0½	13.77
ECSC 14¾ 87 (April)	80	102¼	102¾	0	−0⅞	13.90
EIB 15½ 89	150	104½	105	−0¼	−1¼	14.37
EIB 15⅝ 92	100	104½	105	−0¼	−1½	14.54
Eksportfinans 14½ 89	50	101¼	101¾	−0½	−1	14.09
Gen. Elec. Credit 0.0 92	400	30¼	30¾	+0½	−0¼	12.42
Gen. Elec. Credit 0.0 93	400	26⅛	26⅝	+0⅛	−0¼	13.43
Getty Oil Int 14 89	125	103¾	104¼	−0½	−0¼	13.62
GMAC O/S 15¾ 85/97	100	101½	102⅛	−0½	−0½	14.21
GMAC O/S Fin. 15 89	125	103⅜	103⅞	−0⅝	−0½	14.03
GMAC O/S Fin. 15 87	100	102⅞	103¼	−0½	−1½	14.03
Gulf Canada Ltd 14¾ 92	100	102⅝	103⅛	−0½	−0¼	14.14
Gulf Oil 14¼ 94	175	101½	102	−0⅛	−1	13.20
Gulf Oil Fin. 0.0 92	300	29⅞	30¼	+0⅛	−0¼	13.45
New Brunswick 15¾ 87	75	104¼	104¾	−0⅛	−0¼	13.20
New Brunswick 16¼ 89	75	106¼	106¾	−0½	−0½	14.57
Nova Scotia Pr. 15¾ 89	75	101	101½	+0½	−0¼	14.93
Ontario Hydro 14¼ 89	150	105½	105⅞	+0½	−0¼	13.43
Ontario Hydro 15 92	150	105¼	105¾	−0⅛	−0½	13.93
Pac. Gas & El. 15⅞ 89	45	101¾	102¼	0	−0½	14.94
Phillips Petrol 14 89	200	101⅞	102⅜	+0¼	0	13.45
Saskatchewan P. 15 92	150	102½	103¼	−0⅛	−0½	14.31
Shell Canada 14⅝ 92	125	102½	102⅞	0	−0⅛	13.93
Superior O/S Fin. 14 89	125	100½	101	−0½	0	13.78
Swed. Exp. Cr. 15¼ 89	100	103½	103⅞	−0⅛	−0¼	14.76
Swed. Exp. Cr. 14⅝ 90	100	100⅜	100⅞	0	−0⅛	14.55
Swed. Exp. Cr. 0.0 94	200	21½	21¾	−0½	−0½	13.21
Texas Eastern 15¾ 89	60	102½	103¼	0	−0¼	14.96
Union Carbide 14¾ 89	150	102⅝	103⅛	−0½	0	13.98
Wells Fargo Int 15 87	75	102⅝	103⅛	−0½	−0¾	14.02
World Bank 16⅛ 87	500	101⅝	101⅞	−0½	−0¾	15.72
World Bank 15⅛ 88	250	105½	106	−0½	−0¾	13.63
World Bank 15 87	250	103⅞	104⅜	−0⅛	−0½	13.77
World Bank 15 88	150	104	104½	−0⅛	−0½	13.98

Average price changes.. On day −0¼ on week −0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian D. Bk. 9⅝ 92 (Ap)	150	98⅞	99⅜	0	+0½	9.26
Asian D. Bk. 9¾ 92 (Ag)	150	99	99½	−0¼	−0¼	9.27
Australia 9¼ 91	200	105⅝	106⅛	0	0	8.33
Austria 8½ 92	100	96⅞	97⅜	0	+0⅛	8.94
Barclays O/S In. 8¾ 94	100	96½	97	−0½	−0½	8.92
Bowater Int. Fin. 8½ 89	50	95½	96½	−0⅛	−0½	9.36
Caisse Nat. Tele. 9½ 92	100	101⅞	102⅜	−0⅛	−0⅝	9.20
Canada 8½ 89	200	102½	103	0	−0½	7.94
Comp. Tel. Esp. 10½ 92	100	100⅝	101⅛	+0¼	+0½	10.35
Cred. Foncier 8¾ 92	100	98	98½	0	+0½	9.02
Denmark 10⅛ 92	100	100¾	101¼	−0½	−0½	9.90
EDF 9⅜ 92	100	100⅞	101⅜	0	−0⅛	9.69
EIB 8⅜ 92	100	96¼	97	−0½	−0¼	8.90
Int.-Am. Dev. Bk. 9 92	150	98½	99½	0	−0½	9.13
Nacnl Financiera 11 90	150	88⅛	89⅜	−0¼	−1⅛	13.43
Norsk Hydro 8½ 92	100	99⅛	99⅝	0	0	8.74
Philips Lampe 8½ 92	100	101⅛	101⅝	−0¼	+0½	8.26
Philip Morris 8¼ 90	100	100⅞	101⅜	+0½	−0¼	8.01
Quebec 10⅛ 92	150	102⅝	103⅛	0	−0½	9.61
Renfe 10 92	100	99⅝	100½	0	+0½	10.02
SNCF 8⅞ 92	100	96½	97¼	+0⅛	+0½	9.11
Tenneco Int. 9 92	100	99½	99¾	−0⅛	+0⅛	9.07
World Bank 9½ 89	100	101¾	102	−0⅛	−0¼	9.14
World Bank 8½ 92	200	97½	99	+0½	+0¼	8.86

Average price changes... On day 0 on week −0½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 6¾ 92	100	102¼	102¾	+0¼	−0½	5.93
Asian Dev. Bank 7 92	100	99¼	99½	0	−0⅛	7.08
BNP 6⅞ 92	100	99⅛	99⅝	0	0	6.96
Eldorado Nuclear 6⅞ 92	100	102½	102⅞	−7½	−7½	5.16
Europarat 7¼ 92	100	101½	101¾	+0¼	0	7.01
Ind. Fund Finland 6¾ 92	30	99½	99¾	−0⅛	+0½	6.80
Japan Dev. Bank 6 94	100	101½	101½	+0⅛	−0⅛	5.82
Kansai El. Power 6½ 92	100	101½	101⅞	−0¼	−0½	6.50
Kao Oil Co. 7 92	75	102	102¼	+0½	+0¼	6.70
Kobe City 6⅛ 92	100	101	101½	−0¼	−0¼	5.95
Lonrho Int. Fin. 7½ 92	80	94⅞	95½	0	−0¼	8.26
Mont Blanc Tun. 7⅛ 92	70	101½	101⅞	+0¼	+0½	6.91
Nafinsa 8¾ 92	80	74⅞	75½	+0¼	−5⅛	12.26
Nacomes O/S F. 7½ 90	75	102⅛	102½	+0½	+0½	7.14
New Zealand 6 92	100	102¼	102¾	+0⅛	−0½	5.64
Nippon Tel. & T. 6½ 92	100	103¾	104	0	−0⅛	5.97
NYK 5¾ 92	100	99	99½	−0⅛	+0½	6.27
OKB 7⅛ 92	100	102	102½	+0½	+0¼	6.94
Quebec Hydro 6⅝ 92	100	102¼	102½	−1½	−1⅞	6.29
Renfe 7⅞ 92	80	97	97½	+1½	+1½	8.16
Sekisui Pre. 5¾ 92 WW	70	102	102¼	0	0	5.46
Sumitomo Metal 6⅞ 92	100	99½	99⅞	0	0	6.92
Svenska Handels. 6¾ 92	100	98⅛	98⅝	+0½	−0½	6.96
Tiroler Wasser 6¼ 92	100	98	98½	0	−0½	6.51
TNT O/S Fin. 6⅞ 92	100	98⅝	98⅞	0	0	7.09
World Bank 7⅛ 92	100	103⅛	103⅝	−0½	−0½	6.71

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
EIB 8⅝ 92	15	97⅞	98⅜	+0⅛	0	8.99
Int.-Amer. Dev. 8⅞ 91	15	101	101½	+0⅛	−0¼	8.64
Japan Airlines 7⅝ 87	9	96	96½	0	−0⅛	8.37
New Zealand 8⅝ 87	15	99½	100⅛	+0⅛	0	8.36
World Bank 8⅛ 92	20	99¼	99⅞	0	+0½	8.44

Average price changes... On day +0⅛ on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 16 89 C$	100	†100¼	100¾	−0⅛	0	15.87
Br. Col. Tel. 17¼ 89 C$	50	†102¼	102¾	0	+0⅛	16.60
Can. Pac. S. 16¾ 89 C$	50	†100½	101	0	+0¼	16.11
Can. Utilities 17 87 C$	35	102¾	103¼	+0¼	+0¼	16.06
Gaz Metro 17¼ 90 C$	20	†100½	101	+0¼	+2¼	17.04
OKB 16¼ 88 C$	63	†100¾	101¼	+0⅛	+0½	15.92
Q. Hyd. 16½ 89 (M) C$	50	†100¼	100⅞	−0⅛	+0⅛	16.27
U. Bk. Nwy 9½ 90 EUA	18	95¾	96¼	0	+0⅛	10.22
Amro Bk. 10 87 (M) Fl	150	100¾	101¼	0	+0½	9.70
Amro Bk. 10 87 (A) Fl	75	100¼	100¾	0	+0⅛	9.88
Bk Mees & H. 10 87 Fl	75	99½	100	+0⅛	+0⅛	10.05
EIB 10 87 Fl	75	98⅞	99⅜	+0⅛	−0⅛	10.23
Ireland 10½ 87 Fl	75	99¾	99¾	+0⅛	0	10.63
OKB 10½ 87 Fl	75	100½	101	0	+0⅛	10.25
OKB 14 86 FFr	400	94	95	0	0	16.09
Solvay et C. 14¾ 86 FFr	200	94¼	95¼	0	0	16.72
Beneficial 14¼ 90 £ (D)	20	94⅛	95⅛	+0⅛	0	15.40
BFCE 14½ 87 £	30	105½	106¼	−0⅛	−0⅛	12.75
BNP 13½ 91 £	15	101¾	102¾	+0½	+1	13.03
CECA 13½ 88 £	20	103	104	0	+0⅛	12.62
Fin. Ex. Cred. 13¼ 86 £	15	101¾	102¾	0	−0⅛	12.85
Gen. Elec. Co. 12½ 89 £	50	102¾	103¾	+0½	+0½	11.72
Hiram Walker 14¾ 86 £	25	104¾	105¼	+0½	−0⅛	12.47
Norsk Hydro 14½ 87 £	30	105¾	106¼	−0½	0	12.73
Privatbanken 14½ 88 £	12	100¾	101½	0	−0¼	14.20
Quebec 15½ 87 £	35	105	106	0	−0⅞	13.78
Quebec Prov. 14½ 89 £	30	101½	102¼	+0½	+0⅛	14.05
Reed (Nd) NV 16¾ 89 £	25	107⅛	108¼	−0½	−0⅛	14.74
Royal Trustco 14 86 £	12	102½	103½	+0⅛	+0½	12.81
SDR France 15½ 92 £	30	104⅞	105⅞	0	−0½	14.41
Swed. Ex. Cr. 13⅞ 86 £	20	102	103	−0⅛	−0⅞	12.75
Tenneco Int. 14¾ 87 £	30	101	101¾	0	−0⅛	14.32
Eurofima 10½ 87 LuxFr	500	97½	98½	0	+0⅛	11.11
EIB 9¾ 88 LuxFr	600	94⅞	95⅞	−0⅛	0	10.86

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	98⅝	98⅞	15/10	15.69	15.93
Bk. of Tokyo 5¼ 91 (D)	0⅛	99⅞	100⅛	8/12	15¼	15.23
Bk. Nova Scotia 5¼ 93	0⅛	98¾	99¼	29/10	15⅛	15.28
BFCE 5¼ 88	0¼	99⅝	100	28/10	15	15.04
BFCE 5¼ 87	0¼	99¾	100¼	27/1	14	14.00
Caisse Nat. Tele. 5¼ 90	0¼	99½	100	21/10	15¾	15.79
CCCE 5¼ 2002	0⅛	98⅞	99⅜	11/12	15⅜	15.51
CEPME 5¼ 92	0¼	100¼	100¾	10/12	15.44	15.36
Chemical NY 5¼ 94	‡0¼	98¾	99¼	23/9	16.89	16.85
Credit Agricole 5¼ 97	0¼	99½	99¾	24/9	15.44	15.52
Credit du Nord 5½ 92	0¼	100¼	100¾	23/12	16.81	16.73
Credit Lyonnais 5¼ 97	0¼	99⅞	99⅞	1/10	15	16.06
Credit Lyonnais 5¼ 94	0¼	100⅞	101⅛	1/1	16.94	16.79
Credit Nat. 5¼ 94	‡0¼	98¾	99¼	9/9	14.69	14.84
Ireland 5¼ 89/94	0¼	†98½	99¼	25/11	14¾	14.92
Kansallis Osake 5½ 92	0¼	99⅞	100⅛	6/11	15.31	15.33
Lloyds Eurofin 5¼ 93	§0⅛	99¾	99⅞	29/10	17⅛	17.19
Long Term Cred. 5¼ 92	0¼	99½	99¾	29/11	14⅝	14.68
J. P. Morgan 5¼ 97	§0⅛	99¾	99⅞	12/11	12.94	13.00
Nat. West. Fin. 5¼ 91	§0⅛	100½	100⅞	15/1	15⅛	15.16
New Zealand 5¼ 87	0⅛	99⅞	100½	7/10	15.56	15.58
Nippon Credit 5¼ 90	0⅛	99¾	100¼	10/2	13⅞	13.88
Offshore Mining 5¼ 91	0¼	99½	100⅛	2/12	14.19	14.19
Pribanker 5 91	0⅛	100⅛	100⅝	17/12	15.81	15.73
Scotland Int. 5¼ 92	0⅛	98⅞	99⅛	23/9	15⅛	15.55
Sec. Pacific 5¼ 91	0¼	99⅞	100⅛	24/11	15	15.02
Societe Generale 5¼ 95	0¼	99	99½	1/9	15.31	15.43
Standard Chart. 5¼ 91	0¼	99½	100	18/11	14⅞	14.97
Swedeh 5¼ 89	0¼	98⅞	99¼	26/8	15.37	15.45
Toronto Domin'n 5¼ 92	0¼	98¼	98¾	11/2	14.31	14.53

Average price changes... On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	81⅞	83⅛	+1⅞	10.95
Bow Valley Inv. 8 95	4/81	23.12	96½	98	+0½	47.43
Bridgestone Tire 5½ 96	3/82	470	84¼	85¼	+0¼	1.78
Canon 5¾ 95	1/81	736.3	106	107¼	+6½	11.06
Canon 7 97	7/82	748.2	116⅛	118⅛	−5½	7.32
Chugai Pharm. 7½ 96	7/82	709.6	109	110½	+0¼	2.72
Fujitsu Fanuc 4¼ 96	10/81	5641	81⅛	83⅛	+2⅞	32.58
Furukawa Elec. 5¾ 96	7/81	300	88	89¼	−2½	−4.29
Hitachi Cable 5¼ 96	2/82	515	86⅛	88½	+2⅞	6.12
Hitachi Cred. Cpn. 5 96	7/81	1612	68⅛	70½	+1⅜	16.16
Honda Motor 5½ 97	3/82	841	88½	90½	+2½	9.80
Kawasaki 5½ 96	9/81	229	60	61½	+1⅛	19.80
Marui 5 96	7/81	846.4	93½	95	+1¼	7.96
Minebea 6½ 92	10/82	826.8	59⅛	60⅛	+1⅞	27.81
Minolta Camera 5 96	10/81	8.16	†98	99½	+16¼	7.47
Misawa 3¾ 97	5/82	2188	70	71½	−3½	32.02
Murata 5½ 96	7/81	188	69½	71	+0⅞	−19.77
NKK 6½ 96	7/81	846	93⅞	95⅛	+3½	14.12
Nippon Electric 5¼ 97	2/82	1205	78½	79⅞	+1	7.56
Orient Finance 5½ 97	3/82	852	64½	66¼	−2½	12.64
Sanyo Electric 5 96	10/81	577.3	88½	89⅞	+2⅞	8.23
Sumitomo Elec. 5½ 97	3/82	296.1	59¾	60⅞	+1	47.94
Sumitomo Met. 5½ 96	10/81	557	102⅞	104⅛	+0⅞	2.43
Konishiroku 6½ 88 DM	6/82	616	102¾	103¾	+0½	15.98
Mitsubishi H. 6 89 DM	2/82	263	89¼	90⅛	−0⅞	33.47

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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N. AMERICAN QUARTERLIES

AMERICAN STORES

	1982-83 $	1981-82 $
Second quarter		
Revenue	1.87bn	1.76bn
Net profits	20.2m	13.6m
Net per share	1.77	1.08
Six months		
Revenue	3.75bn	3.44bn
Net profits	36.7m	23.3m
Net per share	3.17	1.79

AUTOMATIC DATA PROCESSING

	1981-82 $	1980-81 $
Fourth quarter		
Revenue	173.3m	147.8m
Net profits	16.4m	13.8m
Net per share	0.45	0.43
Year		
Revenue	663.3m	558.4m
Net profits	57.8m	47.4m
Net per share	1.71	1.51

AVNET

	1981-82 $	1980-81 $
Fourth quarter		
Revenue	273.2m	279.4m
Net profits	13.3m	12.1m
Net per share	0.76	0.70
Year		
Revenue	1.11bn	1.07bn
Net profits	56.1m	57.3m
Net per share	3.21	3.29

BANK OF NOVA SCOTIA

	1981-82 C$	1980-81 C$
Third quarter		
Net profits	63.2m	60.7m
Net per share	1.36	1.31
Nine months		
Net profits	193.3m	180.5m
Net per share	4.16	3.89

CONSOLIDATED FOODS

	1981-82 $	1980-81 $
Fourth quarter		
Revenue	1.74bn	1.41bn
Net profits	50.9m	44.2m
Net per share	1.74	1.50
Year		
Revenue	6.04bn	5.6bn
Net profits	156.7m	140.3m
Net per share	5.33	4.67

LEVITZ FURNITURE

	1982-83 $	1981-82 $
Second quarter		
Revenue	116.9m	120.7m
Net profits	1.18m	1.9m
Net per share	0.29	0.45
Six months		
Revenue	221.9m	242.7m
Net profits	750,000	4.03m
Net per share	0.18	0.95

LONGS DRUG STORES

	1982-83 $	1981-82 $
Second quarter		
Revenue	272.2m	253.5m
Net profits	8.01m	7.97m
Net per share	0.76	0.75
Six months		
Revenue	527.7m	477.3m
Net profits	14.87m	14.1m
Net per share	1.40	1.33

SIGMOR

	1981-82 $	1980-81 $
Fourth quarter		
Revenue	459.7m	371.2m
Net profits	†10.81m	10.56m
Net per share	†0.54	0.63
Year		
Revenue	1.83bn	1.84bn
Net profits	†16.43m	31.82m
Net per share	†0.96	1.90

† Loss

This announcement appears as a matter of record only.

JUNE 1982

U.S. $180,000,000

Instituto Nacional de Obras Sanitarias
Venezuela

Credit Facility

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The Dai-Ichi Kangyo Bank, Ltd.
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Roderick Oram looks at a Malaysian group's attempts to diversify

Sime Darby stuck in the mud

THE EFFORTS of Sime Darby, the Malaysian conglomerate, to grow out from its deep agricultural roots have come too late to save it from the current sharp drop in commodity prices.

The depressed profits for the year just ended (June 1982) reflect all too painfully Sime's dependence on an agricultural economy. Profits after tax fell by 25 per cent to 92.6 ringgits (US$39.5m) with the big plantations and agricultural equipment divisions heading the list of trading culprits.

Diversification presents Sime with two fundamental problems which have wracked the group before. First, diversification, by necessity, means investing outside Malaysia because the country has limited opportunities for a company of Sime's size.

A previous Sime management invested abroad in the early 1970s, causing a political backlash in Malaysia. Local institutions gained shareholder control, ousted the board and turned the group into a Malaysian owned and registered company.

Second, diverse activities impose wider and heavier demands on executives' time and talent. Observers question whether Sime's management is fully developed yet for these tasks. However, the company is prepared to sketch out in broad terms the direction it would like to take.

"We're a Malaysian-based regional conglomerate," says Tunku Ahmad Yahaya, the group's joint chief executive. "We're sizeable in certain basic areas of agriculture with a traditional mix of rubber and oil palm. We need to think of being more sophisticated in the 1980s in marketing our commodities at the first stage of value added."

Tunku Ahmad admits that Sime lacks a detailed strategic plan beyond the general philosophy. Attempts to turn divisional three-year rolling plans ting overtaken by events, he says.

Some divisions have begun to evolve along these general lines. A prime example is the development of oil palm refining, and the purchase of Goodyear's Philippines tyre making operations.

The group has also, however, become rapidly involved in a diverse range of activities throughout the region from insurance and car hire to genetic and offshore engineering and the Boeing aircraft franchise for Malaysia.

Many of these activities are clearly beneficial to the Malaysian economy so there have been no political repercussions. Senior managers are attuned to political leaders' thoughts on suitable avenues for expansion, and Sime's board is studded with highly influential men who are well connected with the country's small political élite.

The diversifications would not impose a large work load on management if they were passive investments. Sime's style is different, though. "We look for manageable projects in which we can take an active part. We are not portfolio investors."

These demands are being made on a relatively new head office team. The group moved its headquarters from Singapore to Kuala Lumpur in February, 1978 to reflect the newly-acquired Malaysian control. "Most of the 70-80 people in Singapore were offered jobs in KL but only about six or seven came."

The search for qualified staff was made harder by the need to heed the country's racial composition. In addition, there continues to be a steady departure of expatriate staff.

Several senior managers point out that Tunku Ahmad's previous experience as head of Dunlop Malaysia consisted essentially of running a company with a narrow product range based on one commodity—rubber.

"But now that he's dealing with diverse interests, he's going to have to assemble a team around him with all the expertise to be successful," one executive says. "He's not achieved that yet."

Meanwhile, expansion continues apace in all the group's operations. Sime has not added to its land holdings since its abortive bid for Guthrie Corporation, the other major Malaysian plantation group, in 1980. It has, however, rapidly supplemented its own holdings of about 200,000 acres with land management deals.

The group has invested heavily in downstream commodity operations such as oil palm refining. It sees great potential for vegetable oils as alternatives to petroleum as a feedstock for such products as detergents and lubricants.

On the engineering side, Tractors Malaysia continues to invest heavily in depots and training and in local fabrication. Fully 75 per cent of its products come from a Japanese manufacturing joint venture between Caterpillar Tractor and Mitsubishi.

At times as much as 70 per cent of Tractor's profits can come from the logging industry. This industry is going through its first recession since 1973-74 and the upturn this time is late and slow in coming.

Sime took a big step earlier this year to diversify its engineering interests with the acquisition of a 60 per cent stake in CE Crest Engineering, a subsidiary of Combustion Engineering of the U.S. This gives Sime access to a potentially large market in offshore rigs and related products.

A further example of this trend is the deal in June in which Fireman's Fund, the American Express subsidiary, is taking minority equity interests in Sime's United Malaysian Insurance and in other Sime insurance operations in Hong Kong and Singapore.

DIVISIONAL PROFITS

	Ringgit 1981-82	Ringgit 1980-81
Plantations	83.4	91.8
Tractors	86.3	110.2
Hong Kong	29.2	30.0
Asean & Pacific Basin	32.8	27.0
Western	*5.5	*4.5
Central expenditure, less income	(12.0)	(14.6)
Shaw Wallace Associate	9.5	7.7
	223.7	247.6
Net interest, less investment income	(13.9)	(2.2)
Profit before tax	209.8	245.4

* Loss

Dividend halved at Dutch ship group

By Our Amsterdam Correspondent

VAN OMMEREN, the Dutch shipping and storage group, suffered sharply lower net profits for the first half of this year at Fl 22.2m ($8.1m) compared with Fl 52.8m in the opening six months of 1981. The interim dividend is being halved to Fl 50 a share.

The company sees little improvement ahead and considers that earnings for the second half of this year may be even lower.

Gross income from January to June was Fl 83.5m, down from Fl 118.3m a year before, with much of the decline arising from reduced business in the ocean transport and bulk storage sectors.

Inland shipping showed a positive balance following an improved performance by foreign-based companies, and there was also a good result from the agencies and transport division.

Net profit per share fell to Fl 2. Earnings per share came to Fl 8.40 for the whole of last year.

In 1981, when net profits totalled Fl 91.2m, the company paid a total dividend of Fl 3.50.

Pakhoed holds levels

Pakhoed, the Dutch transport group, made a net profit of Fl 15.2m ($5.6m) for the first six months of this year, just 2 per cent more than in the same period in 1981. On balance, group results have held steady, says Pakhoed. It forecasts a group result for 1982 as a whole not less than for 1981. Extension plans for group terminals in Rotterdam are still being studied, and no decision has yet been taken on beginning construction.

Danish group in red

ISS, the Danish international service systems group, reports a DKr 7.2m ($826.540) first half loss, compared with a DKr 13.3m profit last year. The loss stems from increased provisions for insurance cover for the U.S. operations. The company's auditors have called for an increase of DKr 20m in the provision. Earnings for the full year are expected to be somewhat lower than in 1981.

Aker to close yards

Aker, Norway's largest shipbuilder, has decided to withdraw from shipbuilding and concentrate on oil-related work like offshore rigs. The move aims at pulling the concern back into profit. With 9,500 on its payroll, Aker has lost about NKr 250m ($37.1m) on operations over the past three years. The company expects to have made "considerable progress in drawing up the necessary plans" by the autumn.

ESAB lifts profits

ESAB, the Swedish welding equipment group, raised first-half earnings by 52 per cent to SKr 70m ($11.5m) with sales advancing by 27 per cent to SKr 1.14bn. It forecasts a continued improvement in results for 1982 as a whole. Last year, the pre-tax profit was SKr 113m. Sales of consumable welding material, which accounted for 55 per cent of turnover, grew by 38 per cent in the half year and deliveries of welding machinery rose by just over 12 per cent. Sales of welding robots increased substantially.

Fagersta cuts loss

Fagersta, the Swedish special steels company, cut its pre-tax loss from SKr 31m to SKr 2m ($328,000) in the six months to June 1982. Sales rose by 12 per cent to SKr 1.1bn. The company expects that the 1982 result will show an improvement on the pre-tax loss of SKr 102m recorded last year. Turnover is forecast to reach SKr 2.15bn. Fagersta is negotiating with Uddeholm the merger into a separate jointly owned concern of their high speed steel operations.

Paper group slips

Buehrmann-Tetterode, the Dutch paper and publishing group, reports first half profits down 80 per cent at Fl 3.7m ($1.4m). For 1982 as a whole, it forecasts a profit of between Fl 10m and Fl 15m.

Nationale Nederlanden improves interim result

BY WALTER ELLIS IN AMSTERDAM

NATIONALE NEDERLANDEN, the largest Dutch insurance group, increased net profits by 5.4 per cent to Fl 183m ($67.1) in the first half of this year on revenues up 18 per cent at Fl 5.6bn.

At the same time, earnings at Amfas, the fourth-largest insurer, fell by 10 per cent to just over Fl 20m. Turnover was 11.3 per cent higher, at Fl 969m.

Revenue from within the Netherlands rose by 10 per cent at Nationale Nederlanden as increased receipts from life insurance more than compensated for a sharp fall in the non-life sector. Abroad, revenue went up by 27 per cent, more than one-third of which came from new participations, including Mercantile Mutual Holdings (Australia). The international contribution to premiums increased from 53 per cent of the total to 56 per cent.

Nationale Nederlanden is clearly happy with its first-half results. Nevertheless, it considers the situation of the non-life sector to be "precarious," and feels that most of the increase in 1982 profits has already been made.

Last month, Nationale Nederlanden put up Fl 150m as half of a rescue bid with the Dutch civil service pension fund aimed at saving the Dutch mortgage bank, Westland-Utrecht, from possible bankruptcy. It estimates that this transaction will result in a negative impact on profits per share in the next few years of less than 1 per cent.

Profit per share for the first six months was Fl 10.19, and the interim dividend has been fixed at Fl 3.90 per share.

At Amfas, profit per share is down to Fl 8.46 and the interim dividend is to be an unchanged Fl 2.40. Amfas forecasts that its net profit for 1982 as a whole will differ little from the profit last year of Fl 48m.

AGA up sharply in first half

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

AGA, the Swedish industrial gas and heat engineering group, increased earnings after interest charges by 24 per cent to SKr 217m ($35.3m) in the first half of 1982. Sales grew by 11 per cent to SKr 2.64bn.

Mr Marcus Storch, managing director, predicts that for 1982 as a whole earnings will grow by more than 15 per cent compared with the SKr 368m recorded last year.

Currency losses are expected to decline to around SKr 35m against SKr 190m last year, so that the rise in the profit before extraordinary items should be appreciably greater than 15 per cent. This forecast takes into account the devaluation of the Mexican peso in August.

At the half-year AGA reported unchanged currency losses of SKr 55m, reducing the profit to SKr 162m against SKr 120m for the first six months of 1981.

After extraordinary income of SKr 131m, deriving mostly from the sale of a real estate business, the group posts a half-year figure of SKr 293m, compared with SKr 124m.

Slower growth expected at Burmeister and Wain

BY HILARY BARNES IN COPENHAGEN

BURMEISTER and Wain, the shipyard, expects to make a pre-tax profit of about DKr 50m ($5.73m) for 1982, having achieved a first half profit of DKr 47m. In the 18-month period ended December, 1981, the shipyard made a DKr 150m loss.

The slowdown in earnings growth in the second half will be because one of the three bulk carriers to be completed in this period will not be invoiced until the first days of the New Year.

The yard, shares in which are currently held by the state pending the completion of bankruptcy proceedings, holds orders for a series of 64,000 dwt bulk carriers which will keep the yard fully employed until about the third quarter of 1984. Only one new bulk order has been taken over the past 12 months.

● Bang and Olufsen, manufacturers of television and hi-fi equipment proposes an unchanged 10 per cent dividend for the year ended May, 1982, having improved pre-tax earnings from DKr 14m to DKr 21m. Earnings before net financial costs and extraordinary items were up from DKr 54m to DKr 62m on sales of DKr 1.16bn, against DKr 1.01bn.

The result is described as satisfactory but the group is nonetheless undertaking measures aimed at rationalisation.

SDS, the Danish savings bank, improved first half operating earnings before depreciation, had debt provisions and adjustments for portfolio values from DKr 90m to DKr 179m. About DKr 25m of the improvement was due to a lower unrealised loss on foreign exchange

The bank said it expected to reach its budgeted operating profit for the year of DKr 340m. Loss provisions would remain high this year, however, and it would be necessary for the bank to improve primary earnings and limit the increase in costs.

The bank's balance sheet total increased from DKr 29.4bn in mid-year 1981 to DKr 30.2bn at the end of June this year.

Shake-up for Malaysian news group

By Wong Sulong in Kuala Lumpur

MALAYSIA'S largest newspaper publishing group, the New Straits Times, has been restructured, a move that is seen to have been dictated by the country's new leadership.

Those dropped included Tan Sri Sheikh Abdullah, chairman, Mr Zakuan Ariff, managing director, Nik Ibrahim, deputy managing director, Dr Noordin Sopiee, the group's editor-in-chief, and Dr Cheah Cheng Kool, a dentist.

The new board consists of Dato Junus Sudin, who becomes the chairman, Tan Sri Lee Siew Yee, the former group chief editor, and newcomers, Dr Salim Cassim, and Azat Kamaluddin, a lawyer, who are closely aligned to the leadership of Dr Mahathir, the Prime Minister, and Datuk Musa Hitam, his deputy.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS

PER 31 AUGUST 1982

	INDEX Today	Last week	Year's High	Year's Low
US$ Eurobonds	13.56	13.81	15.09	13.77
DM (Foreign Bond Issues)	8.95	8.97	9.08	8.92
HFL (Bearer Notes)	9.66	9.95	10.21	9.86
Can$ Eurobonds	16.60	16.65	17.30	16.60

Warner-Lambert Company

has acquired

IMED Corporation

The undersigned initiated this transaction and acted as financial advisor to Warner-Lambert Company.

The First Boston Corporation

August 24, 1982

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SEPTEMBER, 1982

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Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally Guaranteed by

CITICORP

Citicorp Overseas Finance Corporation N.V. (the "Company") reported that as of August 18, 1982, 18.082 Warrants had been exercised to purchase U.S.$18,082,000 of the Company's Guaranteed Zero Coupon Debentures due August 18, 1988.

By: Citibank, N.A. (CSSI Dept.)
September 2, 1982, London

CITIBANK

US$250,000,000 Guaranteed Floating Rate Notes Due 1984

Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally guaranteed by

CITICORP

In accordance with the terms and conditions of the abovementioned Notes and Agency Agreement dated as of March 2, 1981, between Citicorp Overseas Finance Corporation, N.V. and Citibank, N.A., notice is hereby given that the Rate of Interest has been fixed at 11½% per annum and that the interest payable on the relevant Interest Payment Date, December 2, 1982, against Coupon No. 7 in respect of US$10,000 nominal of the Notes will be US$287.50.

September 2, 1982
By: Citibank, N.A., London, Agent Bank

CITIBANK

This announcement appears as a matter of record only.

Sofid

Società Finanziamenti Idrocarburi SOFID S.p.A.

US $12,000,000

Medium-Term Loan

Managed by

Crédit Commercial de France

Provided by

The Bank of Nova Scotia Group

Crédit Commercial de France (Bahrain Offshore Banking Unit)

International Trade and Investment Bank S.A. (I.T.I.B.)

National Westminster Bank Group

Agent

Crédit Commercial de France

CCF

July 15, 1982

NOTICE OF PURCHASE

EUROPEAN INVESTMENT BANK

Japanese Yen 15,000,000,000

7¼ per cent. Bonds due 1989

Notice is hereby given to Bondholders that during the twelve-month period commencing 1st September, 1981, Yen 1,200,000,000 principal amount of such Bonds have been purchased in order to satisfy the third purchase fund redemption.

As of 1st September, 1982 the principal amount of such Bonds remaining in circulation was Yen 11,400,000,000.

Luxembourg, 2nd September, 1982.

European Investment Bank.

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on August 30th 1982, U.S. $51.20

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

Kuwait in new moves to ease stock market crisis

THE KUWAIT Government is to encourage the creation of a KD 200m ($691m) stock-trading company in a fresh attempt to ease the country's stock market crisis, Reuter reports from Kuwait.

Mr Jassem al-Marzouk, the Commerce Minister, said the Government has also ordered the central bank to exercise flexibility in extending credits to investors.

The minister said he was optimistic that the new steps, together with other measures announced last week, would help the market to overcome the present crisis.

Share prices have been falling for several months, partly on fears about the continuing war between Iraq and Iran.

Previous assistance measures have included a temporary ban on the setting up of so-called closed companies, which have a restricted shareholding, and the formation of a cheque clearing company, capitalised at about KD 300m which is expected to start operations soon.

Mr Al-Marzouk said Kuwaitis would have 51 per cent shareholding in the proposed stock-trading company with the remainder owned by companies in other Gulf states.

The government plans other, so far unspecified measures to provide further liquidity to end the crisis.

In the declining market, many investors will be hard-pressed to honour the huge number of post-dated cheques which are likely to mature over the next few months. Post-dated cheques outstanding on the official market, where 46 companies are listed, have been estimated at some KD 4bn ($13.8bn), although analysts believe that final net indebtedness is expected to be far lower.

Mary Frings writes: Earlier Mr Al Marzouk announced a two-year ban on deferred payment deals in "Gulf" shares.

These are shares in companies registered in Bahrain and the United Arab Emirates and not listed on the official Kuwaiti stock exchange, which is restricted to 100 per cent Kuwaiti-owned companies. They are traded on the unofficial exchange, the Souq al Manakh.

Yokogawa to link with Hokushin

BY YOKO SHIBATA IN TOKYO

YOKOGAWA Electric Works, Japan's largest manufacturer of industrial process control equipment, and Hokushin Electric Works, the third largest concern in the same field, will merge in April next year on the basis of one Hokushin share to each 0.35 of a Yokogawa share.

The new company will be called Yokogawa Hokushin Electric Corporation.

A steering committee has been set up to discuss details of the merger through which the companies hope to regain international competitiveness by more efficient use of capital and research and development capabilities.

Japan's industrial process control equipment industry has been dominated by Yokogawa, Yamatake-Honeywell (50 per cent owned by Honeywell of the U.S.) and Hokushin, but the main emphasis of the industry has shifted to digital systems requiring technologies such as computers, optical fibres and sensors. This has allowed the integrated electrical groups, such as Hitachi, Toshiba, Mitsubishi and Fuji, a foothold in process control.

Yokogawa has successfully diversified into medical equipment through a joint venture with General Electric of the U.S. and into office antomation equipment such as word processors and graphic plotters. However, the main interest of the company has remained process control equipment. This accoonted for 86 per cent of 1981-82 turnover which totalled Y88.93bn ($340m).

Hokushin with sales of Y39bn in 1981-82, has its major markets in the oil and petrochemical and steel industries, and has been hit hard by competition from integrated electrical groups. It shows much promise in the growing field of aeronautical instruments for Japanese Defence Agency, but has been slow to diversify otherwise. As much as 75 per cent of turnover still comes from industrial processing control equipment.

On completion of the merger, the companies' joint market share of the process control equipment industry would he some 26 per cent and this would not exceed anti-monopoly law requirements.

Yokogawa's customers are different from those of Hokushin and the merger is expected to be considerably effective. In the current year to March 1983, Yokogawa expects sales to reach Y90bn and sales of Y40bn are projected for Hokushin. At the year end. Kokogawa's capital stood at Y5.89bn and total assets at Y82.77bn. Hokushin's capital was Y3.59bn and its assets totalled Y48.24bn.

Austrian rural bank to control Schoeller

By Paul Lendvai in Vienna

CONTROL over Austria's oldest and most prestigious private banker, Schoeller Bank, has been laken by Genossenschaftliche Zentralbank (GZB), the central institute of the rural credit co-operatives.

GZB will increase its stake in Schoeller Holding from 41 per cent to at least 66 per cent during the next few weeks. Since the holding company controls 90 per cent of the Schoeller Bank, GZB will gain control of the previously family-owned merchant bank.

The GZB move follows a run of severe losses at the Schoeller trading company, which is also owned by the Schoeller family. It is understood that the family will receive at least Sch 80m ($4.6m) for the shares it is to sell in the holding company.

The takeover of the holding company and thus the hank by GZB in no way reflects on recent trading at the bank which has had what is described as "a very satisfactory first half-year." GZB indicates that there will he no change in the managemeot and policy of the merchant hank.

GZB is the umhrella organisation of the rural credit co-operatives which, combined, account for 17.4 per cent of direct lending in Austria and 21.3 per cent of banking deposits.

In recent years GZB has expanded both at home and abroad, including setting up of a represeotative office in Hong Kong. Schoeller Bank has for some time served GZB as its merchant banking arm.

Following the death of the previous director general of the hank, Dr Fritsch Schoeller, the takeover move puts an effective end to the so-called Schoeller era in Austrian banking.

SINGAPORE RESULTS

Overseas Chinese Banking ahead midway

BY GEORGIE LEE IN SINGAPORE

THE OVERSEAS Chinese Banking Corporation (OCBC), has registered a 10.6 per cent increase in group profits after providing for taxation, diminution in value of assets, and allocations to inner reserves, to S$60.1m (US$28m) for the half year ended June.

Net profits of the parent bank itself expanded by 20.3 per cent to S$43.8m. The gross interim dividend is 5 per cent.

OCBC's growth rate was higher than the 4.1 per cent improvement reported by the United Overseas Bank, but lower than the 25.6 per cent rise chalked up by the Overseas Union Bank and the 40.6 per cent increase achieved by the Development Bank of Singapore.

● National Iron and Steel Mills, Singapore's only steel mill, has reported a 77.8 per cent rise in operating profits to S$24.4m (US$11.3m) for the half year to June, despite the depressed steel market. Turnover advanced by 12.7 per cent to S$174.8m.

Pre-tax profits were 64 per cent higher at S$27m including investment and interest income of S$3.4m and after deducting interest expenses of S$850,000. Tax absorbed S$10.7m, an increase of 64 per cent and after minority interests net profits were up 62 per cent to S$15.9m.

National Iron attribuled the improvement to the buoyant construction sector in Singapore, continuing cost-saving measures, and, to some extent, a softening in raw material prices.

The group does not expect this performance to be repeated in the second half of the year because of severe competition but it has projected higher earnings for the whole of 1982 compared with 1981.

● THE SINGAPORE property company, Malayan Credit has reported a 49 per cent increase in pre-tax profits to S$6.76m for the year to March. Post-tax profits were 30 per cent higher at S$3.96m. The gross dividend is 6 per cent.

This announcement appears as a matter of record only August 1982

PHILIPS

PHILIPS

N.V. Philips' Gloeilampenfabrieken (The Netherlands)

K.D.3,500,000

Contract Financing Loan

and

K.D.5,000,000

Guarantee Facility

Provided by

The Industrial Bank of Kuwait K.S.C. The National Bank of Kuwait S.A.K.

Agent & issuing bank

The National Bank of Kuwait S.A.K.

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE August 25, 1982

$150,000,000

Sun Company, Inc.

13.40% Debentures Due 2007

The First Boston Corporation

Kidder, Peabody & Co. Incorporated

Warburg Paribas Becker A. G. Becker

Morgan Stanley & Co. Incorporated

Goldman, Sachs & Co.

Merrill Lynch White Weld Capital Markets Group Merrill Lynch, Pierce, Fenner & Smith Incorporated

Salomon Brothers Inc

Bache Halsey Stuart Shields Incorporated

Bear, Stearns & Co.

Blyth Eastman Paine Webber Incorporated

Dillon, Read & Co. Inc.

Donaldson, Lufkin & Jenrette Securities Corporation

Drexel Burnham Lambert Incorporated

E. F. Hutton & Company Inc.

Lazard Frères & Co.

Lehman Brothers Kuhn Loeb Incorporated

L. F. Rothschild, Unterberg, Towbin

Shearson/American Express Inc.

Smith Barney, Harris Upham & Co. Incorporated

Wertheim & Co., Inc.

Dean Witter Reynolds Inc.

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland.

BAWAG

BANK FÜR ARBEIT UND WIRTSCHAFT

Aktiengesellschaft

(Incorporated with limited liability in Austria)

U.S. $40,000,000

Subordinated Floating Rate Notes Due 1990

Issue Price 100 per cent.

The following have agreed to purchase or procure purchasers for the Notes:

Kidder, Peabody International Limited

Alahli Bank of Kuwait (K.S.C.)

Al-Mal Group

Arab Banking Corporation (ABC)

Bank of Credit and Commerce International

The Bank of Tokyo International Limited

European Banking Company Limited

Gulf International Bank B.S.C.

Kuwait Foreign Trading Contracting & Investment Co., (S.A.K.)

Manufacturers Hanover Limited

National Bank of Abu Dhabi

Orion Royal Bank Limited

Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited

Arab Bank for Investment and Foreign Trade (ARBIFT), Abu Dhabi

The 4,000 Notes of U.S. $10,000 each, constituting the above issue have been admitted to the Official List of The Stock Exchange, subject only to the issue of the temporary global Note.

Interest will be payable semi-annually in March and September, the first such payment being due in March, 1983.

Particulars relating to Bank für Arbeit und Wirtschaft Aktiengesellschaft and the Notes are available from Extel Statistical Services Limited and may be obtained during normal business hours (Saturdays excepted) up to and including 15th September, 1982 from:—

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

2nd September, 1982

This announcement appears as a matter of record only

inma GEPI

INDUSTRIE NAVALI MECCANICHE AFFINI (I.N.M.A.) S.p.A.

US$23,040,000

Medium Term Project Facility

75% Insured by SACE Sezione Speciale per l'Assicurazione del Credito all'Esportazione

25% Guaranteed by GEPI S.p.A. Società di Gestioni e Partecipazioni Industriali S.p.A.

Arranged by

Bank of Tokyo International Limited

Midland and International Banks P.L.C.

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Banco di Roma International S.A.

Bank of Tokyo International Limited

Japan International Bank Limited

London & Continental Bankers Limited

Midland and International Banks P.L.C.

The Mitsubishi Trust and Banking Corporation

Italian Paying Agent

Banco di Roma

Agent

Bank of Tokyo International Limited

WORLD STOCK MARKETS

NEW YORK

[illegible]

Wall Street up 1.38 by 1pm

PRICES rose higher in early trading with the Dow Jones Industrial Average continuing above the 900 level. By 1 pm the Average was up 1.38 at 902.69.

The New York Stock Exchange All Common Index eased $0.16 to $68.38. Volume was a brisk 66.99m shares.

Analysts said there was concern about a short-term upturn in interest rates but that investors were still confident about improvement in the economy.

They said Tuesday's announcements of rises in leading economic indicators helped the market push ahead before investors began taking profits. One analyst said there might be selling by institutions, but this could be counteracted by individuals buying.

Holiday Inns, the most active issue with over 1.5m shares traded, was off $⅜ to $30⅛. Blocks of 700,000 and 650,000 shares were traded at $30⅛. Martin Marietta, which is locked in a takeover struggle with Bendix, was also active, and off $⅜ at $33⅞. Bendix was off $1⅞ to $54⅞.

Amerada Hess, which has expressed an interest in buying part of Cities Service's business, is up $2 to $24⅜ in active trading. Cities Service, also active, was off $⅛ at $46.

THE AMERICAN SE Market Volume Index gained 0.54 to 280.56. Volume 3.9m (4.65m).

Canada

Toronto stocks were higher at midsession but weakness on Wall Street checked the early advance.

The Composite Index was up 8.8 at 1,622.1 on volume of 4.45m shares. Advances led declines 236 to 140.

Metal, Gold and Oil issues weakened, while Papers, Real Estate and Financial stocks remained higher.

Montreal stocks were up slightly. The Composite index gained 1.65 to 280.73 on volume of 439,120 shares. The Vancouver Exchange index was up 4.25 at $23.51 on volume of 2.14m shares.

Tokyo

Prices gained moderate ground, led by international populars and enlivened by the rise on Wall Street. The market average rose 29.17 to 7,152.55, but trading was generally light—volume was 230m shares—reflecting uncertainty about the trend of the yen/dollar rate. The Tokyo Stock Exchange index added 2.62 at 533.10.

Light Electricals rose sharply after the announcement of plans to start marketing digital audio discs and players from next month. Nippon Colombia rose Y100 to Y665 and Hitachi Y11 to Y631. Sony, Pioneer and TDK also benefited.

Dowa Mining added Y31 to Y408 on heavy volume of 21.6m shares, after the announcement of a discovery of mineral deposits over which it has mining rights in the north of the main Japanese island of Honshu.

Germany

Shares closed broadly higher in Frankfurt as the market recovery stretched into a second day, brokers said.

The Commerzbank index added 3.8 to 677.3. Brokers attributed the gains to buying by domestic institutions and some bargain hunting by foreign investors.

The recovery was led by Auto stocks, particularly Daimler-Benz and BMW, they said. Trading was described as active, especially early in the session.

After a mixed and slow opening, bond prices finished higher because Bundesbank called for interest rates tenders on a new securities repurchase agreement starting at a minimum of 7.5 per cent. The 28-day securities repurchases, which are to be allocated today, will replace DM 6.9bn in similar existing agreements coming due tomorrow.

Gains in most industry groups ranged from fractional to about DM 1.50, with an occasional loser among Utilities, Electricals, Chemicals, Steels and Banks.

BASF eased DM 0.60 against the trend in major *Chemicals*. Bayer added DM 0.40 and Hoechst rose DM 0.90. Schering finished DM 3.80 ahead and Degussa gained DM 1.

Varta was down DM 2.50 in Electricals, AEG added DM 0.50, Siemens gained DM 1.60 and Brown Boveri picked up DM 1.20.

Paris

Prices were mixed in moderately active trading with bullish and bearish factors in balance, dealers said.

The CAC General Index eased 0.7 to 100.5. Banks, Foods, Cars, Stores and Electricals were mixed. Portfolios were steady and Rubbers and Metals slightly easier. Constructions, Engineerings and Oils fell.

In Portfolios, Schneider fell FFr 5 to FFr 108.5, while in Foods, BSN declined FFr 20 to FFr 1,420.

In Engineerings, Dumez fell FFr 30 to FFr 1,160, while in Oils, Elf Aquitaine lost FFr 2.2 to FFr 108.5.

Australia

Sydney share prices moved narrowly in thin trading, with brokers reporting little overseas interest. The All Ordinaries Index eased 0.2 to 482.5.

CRA opened easier on its poor results, then rose to close 5 cents up at $3.60. BHP fell 10 cents to $7.20, WMC lost 2 cents to $3.48, Santos dropped 4 cents to $5.16 and CSR rose 3 cents to $2.90.

In Melbourne, leading stocks traded lightly in a narrow range. Investors were said to be assessing the direction of overseas markets and awaiting new directions in the price of gold.

Hong Kong

The Hang Seng index added 3.70 to 1,039.03 on turnover of $19.94m, significantly down from Tuesday's $24.48m. Stocks moved within a narrow range.

Swire Pacific A gained 2c to $101, HK Wharf rose 5c to $3.70, Jardine Matheson 1c to $15.70 and Hutchison Whampoa was unchanged at $11.50. Cross Harbour, scheduled to announce interim figures, rose 1c to $10.60, while Carrian Investments was up 5c at $2.40.

Switzerland

Share prices closed mixed to lower in moderate activity in Zurich. The market failed to respond to yesterday's firmer tone on *Wall Street* and remained overshadowed by the continued strength of the dollar and rising Eurodollar rates.

A further slowdown in economic activity forecast by the Swiss Trade and Industry Association was seen as confirming widespread pessimism on the economy's short-term prospects, dealers said.

Amsterdam

Dutch stocks closed mostly firmer in a moderate session. The ANP-CBS General Index was up 0.5 at 86.9 and gains led losses by 99 to 56.

The International sector advanced, led by Royal Dutch/Shell and Unilever. Banks were steady to modestly higher, and in Insurances, National-Nederlanden was firm as first half results showed profits up.

Milan

Prices were overall unchanged through uncertainty over the Polish situation and widespread orders to sell were offset by demand for selected stocks to consolidate end-of-month positions, dealers said.

Companies in the Centrale group controlled by Nuovo Ambrosiano eased amid uncertainty about the group's future, but Pirelli and Bastogi also eased among *Financials*.

Montedison was the only Industrial to register a slight gain. Fiat, Italcementi, Snia Viscosa and Olivetti all lost ground. Treasury bills eased slightly.

Closing prices for North America were not available for this edition.

CANADA

[illegible]

BELGIUM (continued)

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

HOLLAND

[illegible]

ITALY

[illegible]

NORWAY

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

Financial Rand US$0.77 (Discount of 11¼%)

BRAZIL

[illegible]

Indices

NEW YORK —DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y. S.E. ALL COMMON

[illegible]

MONTREAL

[illegible]

TORONTO Composite

[illegible]

NEW YORK ACTIVE STOCKS

[illegible]

LONDON STOCK EXCHANGE

Equity investors warm to Wall St boom and 30-share index rises nearly 9 points—Gilts resume recent rise

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 16	Sept 2	Sept 3	Sept 13
Sept 6	Sept 16	Sept 17	Sept 27
Sept 20	Sept 30	Oct 1	Oct 11

* "New-time" dealings may take place from 8.30 am two business days earlier.

Influenced by Wall Street's continuing strength, London equity markets came to life yesterday after their recent inactive spell. Leading shares recorded useful gains on selective investment support, which was also evident for secondary equities. Government stocks were relegated for a change, but staged a simultaneous revival from recent easiness.

The new-found confidence of equity investors took dealers by surprise and good early buying often found stock in short supply. **Bats**, up 22 at 510p, provided the outstanding feature among the leaders, while gains of around 10 were common to **Reckitt and Colman, Plessey** and **Racal**.

Oils firm

Of the sectors, Foods were particularly noteworthy following recent investment recommendations, while Oils continued to benefit from the current strength of U.S. Oils. **British Petroleum** rose 6 more to 302p awaiting today's interim results.

Measuring the overall trend of leading industrials, the FT Industrial Ordinary share index was 3.8 higher at 10.00 am and progressively extended its rise to close 8.9 up at the day's best of 581.6.

Rising short-term interest rates both here and in America were no deterrent to Gilt-edged investors. They committed fresh funds to a sector influenced also by a steadier pound and, with recent profit-taking having run its course, longer-dated stocks responded accordingly. The larger gains occurred in specific low-coupon issues, the markets in which are often limited, and **Funding 6 per cent 1993** jumped 1¼ points to 71.

High-coupon longs gained a maximum of ⅜, but considerably tighter conditions in UK money markets, owing mainly to partial settlement of Petroleum Revenue Tax payments, inhibited business at the short end of the Gilt market. Quotations here were finally little altered on the day.

Credit National 13¾ per cent Notes 1989 made an extremely quiet afternoon debut and closed at the issue price level of £105.

Sun Alliance react

A trio of interim trading statements brought contrasting reactions in Composite Insurances. **Sun Alliance**, standing 4 higher awaiting its half-timer, reacted to 746p on the announcement before settling a net 10 down at 750p. **GRE**, on the other hand, gained 10 to 312p, after 314p, following its results and **Phoenix** closed 2 dearer at 264p, after 266p, despite a first-half profits slump. Elsewhere, **Commercial Union** touched 136p before closing a net 3 up at 134p, while **General Accident** gained 4 to 292p and **Royals** put on 6 to 378p. Among Life issues, **Legal and General** gained a few pence to 284p as did **Prudential**, to 272p. **Edinburgh and General Investments** held at 8p; the price in yesterday's issue was incorrect.

The major clearing banks met with revived investment support, **Barclays** rising 12 to 368p and **NatWest** 7 to 405p. **Lloyds**, at 410p, and **Midland**, at 312p, gained 8 apiece. Among overseas banks, **Standard and Chartered** put on 16 to 385p; the interim results are due on September 14.

Among recently - issued equities, **Alfred Walker** firmed 2 to 41p; **Morgan Grenfell Special Exempt Fund** has become interested in 19.7 per cent of the ordinary share capital. Revived demand in a thin market lifted **McCarthy and Stone** 13 to 208p, but **Bio-Isolates** encountered selling and shed 4 to 62p.

Breweries finished on a firmer note, although the rises owed much to technical influences. **Grand Metropolitan** ended 5 up at 277p, while **Bass** added a couple of pence at 256p. Wines and Spirits also made useful progress with **Distillers** 6 better at 202p. Revived interest was also noted for recent favourite **H. P. Bulmer**, 15 up at 600p.

Leading Buildings displayed small, irregular movements. **Blue Circle** improved 3 to 423p and **Redland** the same amount to a 1982 peak of 201p, while **Taylor Woodrow** gained 8 to 555p. **Barratt Developments** firmed 4 to a high for the year of 321p. On the other hand, further small selling clipped another 6 from **Tarmac**, at 344p, and 8 from **BPB**, at 428p. **George Wimpey** softened a couple of pence to 121p and **RMC** lost the turn to 276p. Elsewhere, **Mixconcrete**, at 181p, gave up a penny of the previous day's gain of 12 following the Board's rejection of the increased 180p per share bid from Pioneer Concrete. **Marchwiel** shed 9 to 138p following disappointment with the interim results, while **Derek Crouch** lost 4 to 108p on the half-yearly profits slump. **John Finlan** remained a firm counter and hardened another couple of pence to 140p.

ICI met with a reasonable level of support and put on 6 to 282p. **Amersham** gained the turn to 244p awaiting details of the annual meeting. Among other Chemicals, **Stewart Plastics** rose 6 to a 1982 peak of 156p, assisted by call option business. **Arrow** touched 52p before closing a net 2 up at 50p after the increased interim profits. **Novo Industries** "B," a rising market since announcing increased half-yearly income, gave up 5 points at £131.

Heelamat better

Leading Retailers displayed some good gains. **Gussies "A"** closed 13 up at 533p, while **Burton** advanced 5 to 220p. **British Home**, 162p, and **Marks and Spencer**, 174p, added 4 apiece. D-I-Y issues attracted renewed support, especially **Home Charm**, which continued to draw strength from recent Press comment and added 8 more at 195p. Gains of 2 were achieved by **MFI**, 88p, and **Harris Queensway**, 196p, while **W. H. Smith** rose 3 to 210p. **Heelamat's** preliminary results proved no worse than anticipated and hopes of a trading recovery took the shares up 6 to 63p. **Courts Furnishers** again responded to a broker's bullish circular, the "A" closing 5 to the good at 86p.

Investment support prompted smart gains among Electrical leaders, and although a slightly easier tone was discernable after the official close, most still retained useful rises. **Plessey** touched 520p before settling with a net rise of 8 at 518p, while **Racal** firmed 10 to 535p and **GEC** added ½ to £10½. **BICC**, interim results scheduled for next Wednesday, rose 7 to 307p. **Ward and Goldstone**, up 2 at 45p, after 40p, remained a volatile market in the wake of disappointing results and accounting problems at the Pendle Connections subsidiary. **Memec**, first-half results expected later this month, improved 8 to 318p, while similar gains were noted for **Ferranti**, 453p, and **Unitech**, 263p.

Seldom the recipient of good news these days, the Engineering sector managed a limited revival following **Babcock International's** better-than-expected first-half profits; Babcock rose 6 to the best level this year of 120p, while **Vickers** picked up 5 at 148p. **Simon**, 360p, and **Matthew Hall**, 204p, put on 4 apiece, but **GKN** and **TI** were only slightly harder at 142p and 100p respectively. **Davy** found support at 107p, up 3, along with **John Brown**, which rallied 2 to 37p. **Hawker**, which has stoutly resisted the recent depression, improved late to a 1982 high of 354½p, up 4.

Selected Food issues met with revived support. **Associated Dairies** improving 4 to 146p and **J. Sainsbury** 5 to 370p. **Unigate** firmed 4 to 92p and **Northern** hardened a couple of pence to 148p. **Cadbury Schweppes** held at 116p awaiting today's interim results. Renewed interest lifted **Avana** 10 to a 1982 peak of 360p, while **Ranks Hovis McDougall** put on 2½ at 52p. **Singlo** added 1½ to 37½ following the annual report, while **Hazlewood**, a thin market, advanced another 10 to 315p. **Lennons** put on 3 to 37p and **Paterson Jenks** improved a couple of pence to 79p.

Diploma advance

Assisted by favourable Wall Street influences, leading miscellaneous industrials enjoyed a fair measure of support. **Reckitt and Colman** were outstanding with a rise of 10 to 320p, while **Glaxo** encountered fresh demand and touched 790p before settling 5 dearer on balance at 785p. **Pilkington**, 207p, and **Beecham**, 306p, improved 7 and 6 respectively. Elsewhere, **Diploma** responded to the increased annual dividend and profits by jumping 21 to 297p. Favourable Press mention left **Stonehill Holdings** 3 to the good at 46p, while **Cowan De Groot** edged up a penny further to 23p on the preliminary figures. **English China Clays**, in contrast, were a poor market at 145p, down 9, following declining clay production figures. **Fisons** revived with a rise of 13 to 410p, while occasional support left **Johnson Group** 6 dearer at 172p. **BET**, up 5 at 187p, encountered scattered demand ahead of today's preliminary statement. Similar gains were common to **AGB Research**, 282p, and **J. Bibby**, 280p. **Turner and Newall** held at 30p awaiting today's interim results.

Interest in leading Properties faded and **Land Securities** shed 4 to 281p, as did **MEPC**, to 181p. Among occasional movements in secondary issues, **Parkside Holdings** fell a couple of pence to a 1982 low of 29p, while **Stewart Nairn**, a rising market recently on speculative interest, lost a penny at 31½p.

Fresh support in the wake of favourable Wall Street influences helped Oils to take the previous day's gains a stage further. **British Petroleum** gained 6 more to 302p awaiting today's interim statement, while **Shell** rose another 8 to 412p. **Lasmo** put on 15 for a two-day gain of 25 to 375p, while **Ultramar** gained 7 to 415p and **Burmah** rose 3 to 151p. Elsewhere, **Tri Basin**, up 25 last Friday on the prospect of a proxy battle with rival factions trying to gain control of the company, put on another 25 to a high for the year of 140p.

Revived speculative demand lifted **Gill and Duffus** 10 to 127p. Other Overseas Traders also tended to higher levels especially those with Far Eastern interests. **Sime Darby** closed 4 dearer at 50p, while **Harrisons and Crosfield** added 25 to 525p, and **Boustead** 3 to 43p.

Money brokers were again popular among Financials. **Mercantile House**, a steadily rising market since the initial disappointing response to the recent share flotation, closed 18 higher at 408p with the new shares 20 better at 410p, or 35p above the offer price. **Mills and Allen** rose 17 to 495p.

Shippings featured **Ocean Transport** which rallied 8 to 97p following a broker's favourable circular and hopes that the final dividend will be maintained.

Textiles held close to their overnight positions with the exception of **Nottingham Manufacturing**, 4 dearer at 188p. **U.U. Textiles** were unchanged at 32p following the full-year results and 1-for-1 rights issue.

The stronger U.S. lobby for a tobacco price increase drew persistent support for **Bats**, which rose 22 in an active trade to 510p. **Imperial** added a few pence at 97½p, while revived rumours of a possible bid from Philip Morris lifted **Rothmans** a penny to 97p.

Plantations, uneventful of late, perked up reflecting overnight strength in Singapore. **Consolidated Plantations** rose 5 to 44p, while the Warrants jumped 14 to 105p. **Highlands** put on 4 to 52p and **Malakoff** added 3 at 60p.

Golds steady

The absence of any significant selling pressure coupled with renewed buying interest from Johannesburg enabled South African Golds to hold relatively steady in the face of the lower bullion price, which dipped $11 to $402.5 an ounce.

Heavyweights were rarely more than around ¼ easier and provided a lone firm feature in **Doornfontein**, a half-point up at a year's high of £10¼. In medium and lower priced issues **Ventersport** gave up 16 to 581p.

Little activity was seen in South African Financials which tended to drift. **Johnnies** fell £1¼ to £34¼ while **Gencor** lost 20 to 880p, the latter ahead of the interim figures expected today.

London Financials remain under pressure. **RTZ**, due to announce interim results on September 15, gave up 8 to 430p, and **Gold Fields**, which declares full-year results a day earlier, eased 5 to 440p. **Charter Consolidated** were a further 4 cheaper at 178p.

Australians were quietly mixed and unaffected by another set of poor trading results from one of the leading mining companies, this time **MIM Holdings**; the latter moved in a narrow range prior to closing a fraction firmer on balance at 184p despite the A$43 loss, which compares with a A$106.4m profit in the previous year, and the cut in the final dividend from 7 cents to 3 cents.

CRA dipped 2 to 200p on consideration of the dividend omission but **Peko-Wallsend** held steady at 282p despite recent poor results.

Malaysian Tins advanced strongly, boosted by the sharp gains on the Singapore market. Far eastern and London buying interest lifted **Sungei Besi** 20 to 155p, while gains of 15 were common to **Ayer Hitam**, 155p, **Gopeng**, 285p and **Tronoh**, 155p. **Berjuntai** rose 10 to 130p.

South Crofty, re-listed yesterday after being suspended in May 1981 at 23p, were steady at 68p.

Volume in Traded Options held up well and 1,768 contracts were done, with Oil shares attracting a fair measure of attention. **British Petroleum**, interim results due today, recorded 432 calls and 53 puts, while **Lasmo** recorded 145 calls and 15 puts. Put trading was dominated by **Racal** which attracted 129 trades, 112 of which were struck in the November 500s.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 23	Sept 3	Nov 25	Dec 6
Sept 13	Sept 24	Dec 9	Dec 20
Sept 27	Oct 8	Dec 23	Jan 10

For rate indications see end of Share Information Service

Money was given for the call of Palliser Resources, Lonrho, North Kalgurli, Sound Diffusion, Turner and Newall Endeavour, John Brown, BICC, Bairstow Eves, Tilbury, Trident TV A, KCA International, Black and Edgington and Carless Capel. No puts were reported, but doubles were arranged in Endeavour and Tilbury.

FINANCIAL TIMES STOCK INDICES

	Sept. 1	Aug. 31	Aug. 27	Aug. 26	Aug. 25	Aug. 24	A year ago
Government Secs.	77.88	77.43	77.70	78.09	78.13	78.52	64.48
Fixed Interest	77.91	78.01	78.33	78.32	77.92	77.95	65.76
Industrial Ord.	581.6	572.7	573.5	575.1	558.4	571.0	568.3
Gold Mines	322.2	323.3	320.1	314.2	297.9	312.5	355.1
Ord. Div. Yield	5.09	5.17	5.18	5.16	5.23	5.20	5.28
Earnings, Yld.% (full)	11.38	11.56	11.57	11.52	11.60	11.55	9.20
P/E Ratio (net) (*)	10.54	10.37	10.36	10.40	10.34	10.39	14.29
Total bargains	15,107	16,777	19,243	19,014	21,963	23,278	15,268
Equity turnover £m	—	79.19	125.93	123.95	134.12	158.25	111.40
Equity bargains	—	11,525	12,499	12,794	12,915	15,912	12,236

10 am 576.5. 11 am 577.7. Noon 580.1. 1 pm 580.8. 2 pm 581.3. 3 pm 581.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 9.51.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	78.92 (23/8)	61.89 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	78.33 (27/8)	62.79 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	594.0 (6/5)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	323.3 (31/8)	181.2 (22/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 31	Aug. 27
—Daily		
Gilt Edged Bargains	234.0	220.2
Equities Bargains	160.1	61.0
Value	74.7	254.5
5-day Avrge.		
Gilt-Edged Bargains	264.2	316.6
Equities Bargains	95.1	91.6
Value	251.2	284.9

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Sept 1 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Aug 31 Index No.	Fri Aug 27 Index No.	Thurs Aug 26 Index No.	Wed Aug 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	414.63	+1.3	9.31	4.06	13.41	409.50	409.97	409.73	408.05	378.41
2	Building Materials (23)	346.89	+0.1	12.06	5.32	9.97	346.52	347.38	349.22	346.09	333.09
3	Contracting, Construction (28)	647.19	−0.2	13.62	4.78	8.78	643.27	649.49	647.72	647.93	600.22
4	Electricals (31)	1651.26	+2.1	6.55	1.96	19.99	1617.35	1617.97	1616.64	1615.28	1257.91
5	Engineering Contractors (11)	470.92	+1.5	13.94	6.42	8.66	463.89	466.39	465.12	467.91	503.80
6	Mechanical Engineering (67)	204.46	+1.0	11.60	5.76	10.21	202.46	203.27	202.62	200.68	215.98
8	Metals and Metal Forming (11)	149.78	+0.8	12.54	8.10	9.88	148.60	148.07	148.39	147.08	173.75
9	Motors (20)	81.27	+1.7	3.03	8.58	—	79.88	80.24	80.40	79.93	106.56
10	Other Industrial Materials (18)	351.31	+0.3	10.53	6.08	11.61	350.42	349.56	348.59	346.03	397.57
21	CONSUMER GROUP (202)	337.94	+1.7	11.83	5.16	10.25	332.37	332.43	333.11	330.72	292.29
22	Brewers and Distillers (22)	379.97	+1.3	12.55	5.47	9.68	375.11	376.38	379.98	373.86	309.28
25	Food Manufacturing (22)	287.06	+1.1	15.87	6.33	7.35	283.95	283.70	283.77	282.18	276.59
26	Food Retailing (14)	720.24	+1.7	8.30	3.12	15.02	708.45	707.53	708.86	703.54	568.86
27	Health and Household Products (9)	524.20	+1.6	6.59	3.24	17.92	516.20	512.95	512.46	507.32	361.29
29	Leisure (23)	434.42	+1.5	9.65	5.41	13.13	428.21	429.71	426.91	427.53	454.44
32	Newspapers, Publishing (13)	530.60	+0.4	11.99	5.92	10.41	528.46	523.62	527.37	527.99	511.37
33	Packaging and Paper (14)	140.17	+0.6	17.19	7.92	6.76	139.29	139.27	138.44	138.05	154.26
34	Stores (45)	301.64	+1.9	9.66	4.62	13.75	295.92	296.83	297.91	296.48	269.83
35	Textiles (23)	163.81	+0.8	14.11	6.53	8.62	162.43	163.41	164.73	165.01	165.57
36	Tobaccos (3)	367.14	+4.1	23.80	7.53	5.12	352.60	358.22	349.78	347.36	268.73
39	Other Consumer (14)	259.50	+0.2	6.59	6.04	29.92	259.10	260.47	260.34	260.52	291.18
41	OTHER GROUPS (76)	259.76	+1.6	13.07	6.50	9.21	255.79	256.68	256.10	255.28	235.24
42	Chemicals (15)	334.50	+1.9	14.79	7.16	8.05	328.14	329.49	331.65	328.33	293.23
44	Office Equipment (4)	101.94	+1.8	15.96	8.56	7.70	100.15	100.15	99.13	98.61	115.69
45	Shipping and Transport (13)	555.78	+1.0	13.43	7.36	9.33	550.42	557.21	558.11	567.39	538.86
46	Miscellaneous (44)	351.08	+1.3	11.07	5.41	10.83	346.45	346.79	343.26	342.53	313.37
49	INDUSTRIAL GROUP (487)	353.01	+1.5	11.04	4.92	11.07	347.79	348.12	348.30	346.38	313.40
51	Oils (13)	725.21	+2.0	21.89	8.03	5.17	711.08	696.31	712.24	681.97	719.06
59	500 SHARE INDEX	383.45	+1.6	12.67	5.38	9.45	377.51	376.63	378.08	373.89	346.34
61	FINANCIAL GROUP (117)	249.09	+1.0	—	6.94	—	246.74	247.36	248.44	248.68	277.84
62	Banks (6)	260.15	+2.4	38.96	9.20	2.82	253.99	252.95	255.38	256.08	284.48
63	Discount Houses (9)	277.09	+0.2	—	8.43	—	276.58	277.51	278.05	278.91	268.51
65	Insurance (Life) (9)	282.05	+0.6	—	6.52	—	280.35	282.51	280.56	282.08	295.92
66	Insurance (Composite) (10)	158.50	+1.3	—	8.95	—	156.46	157.80	158.70	159.54	184.38
67	Insurance Brokers (7)	496.12	−0.1	11.24	5.23	12.15	496.47	500.06	507.26	509.33	480.92
68	Merchant Banks (12)	144.45	—	—	6.14	—	144.40	145.44	143.97	143.12	172.51
69	Property (49)	420.00	−0.6	5.56	3.88	24.06	422.33	423.47	425.86	422.86	492.96
70	Other Financial (15)	166.40	+2.7	17.51	6.89	6.58	161.98	162.75	160.65	161.63	184.51
71	Investment Trusts (111)	307.91	+0.5	—	5.38	—	306.46	307.56	306.24	306.96	324.09
81	Mining Finance (4)	215.62	−1.6	14.66	6.58	8.56	219.09	223.51	225.68	223.39	272.33
91	Overseas Traders (18)	376.32	+1.8	13.93	6.51	8.78	369.74	370.38	370.51	365.17	422.69
99	ALL-SHARE INDEX (750)	347.92	+1.3	—	5.70	—	343.29	343.05	343.27	341.38	332.37

FIXED INTEREST

	PRICE INDICES	Wed Sept 1	Day's change %	Tues Aug 31	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	117.02	+0.04	116.97	—	8.22
2	5-15 years	125.48	+0.42	125.02	0.04	9.20
3	Over 15 years	131.87	+0.48	131.36	0.12	9.98
4	Irredeemables	136.37	+0.63	135.86	0.35	8.90
5	All Stocks	124.50	+0.33	124.15	0.05	9.09
6	Debentures & Loans	98.89	−0.90	99.79	—	7.67
7	Preference	71.15	+0.31	70.94	—	5.10

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sept 1	Tues Aug 31	Year ago (approx.)
	British Government				
1	Low	5 years	9.28	9.34	12.58
2	Coupons	15 years	10.71	10.82	13.24
3		25 years	10.92	11.00	13.48
4	Medium	5 years	11.44	11.50	14.68
5	Coupons	15 years	11.68	11.74	15.22
6		25 years	11.21	11.27	14.77
7	High	5 years	11.52	11.54	14.64
8	Coupons	15 years	11.89	11.94	15.39
9		25 years	11.41	11.48	15.00
10	Irredeemables †		10.94	10.98	13.89
11	Debs & Loans	5 years	12.56	12.33	15.95
12		15 years	12.57	12.58	15.99
13		25 years	12.57	12.59	16.02
14	Preference †		13.80	13.83	15.85

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (89)

BRITISH FUNDS (1)
Funding 6pc 1993

BUILDING SOCIETIES (1)
Nationwide 14¼pc 4.4.83

FOREIGN BONDS (1)
Japan 5pc 1983-88

AMERICANS (12)
Abbott Labs., General Electric, American Medical, Gillette, Browning-Ferris, Honeywell, Brunswick Corp., I.B.M. Corp., Chesebrough, Rockwell Intl., Colgate Palmolive, TRW Inc.

CANADIANS (3)
Can. Pacific Ent., Seagram, Imperial Oil

BEERS (2)
Marston Thompson, Scot. & Newcastle

BUILDINGS (8)
Barratt Dev., Travis & Arnold, Redland, Trent Hldgs.

CHEMICALS (4)
Allied Colloids, Laporte Inds., Coalite, Stewart Plastics

STORES (8)
Brown (N.), Courts A, Burton Group, Habitat, Gt. Universal, Home Charm, Do. A, MFI Furniture

ELECTRICALS (8)
A. & G. Sec. Elects, First Castle, Automated Sec., Fulcrum, Cont. Microwave, Motorola, Ferranti, Racal Elect.

ENGINEERING (3)
Babcock Intl., Saville Gordon, Hawker Siddeley

FOODS (4)
Avana, Nabisco Brands, Hazlewood, Sainsbury (J.)

HOTELS (2)
Queen's Moat 10¼pc Cnv. 1989-91, Queens Moat Houses

INDUSTRIALS (21)
B.E.T. Defd., Equiew, BOC, Fisons, Do. 9pc Cnv. Uns. Ln. 2001-06, Hanson Trust 9½pc 2001-06, Baxter Travenol, Harris (Ph.), Beecham, Johnston Group, Blundell-Permoglaze, L.R.C. Intl., Borg-Warner, Macarthys Pharm., Continental Group, Montanto 5pc '82-86, Diploma, Office & Elect., Pendolinen, Slebe Gorman, EIS

INSURANCE (1)
Legal & General

MOTORS (1)
Brit. Car Auction

TOBACCOS (1)
BAT Inds.

TRUSTS (6)
First Scot. Am., N. British Canadian, Keep Invs., Northern American, M. & G. Dual Inc., Perambo

OILS (1)
Tri Basin

OVERSEAS TRADERS (3)
Paterson Zochonis, Bersford (S. & W.), Do. A N-V

MINES (2)
Doornfontein, Minorco

NEW LOWS (13)

BANKS (1)
Algemene

ELECTRICALS (1)
Ward & Goldstone

ENGINEERING (1)
Pattons (G. B.)

INDUSTRIALS (1)
Business Computers

PROPERTY (2)
Marlborough, Parkdale

TEXTILES (1)
Lowe (Robt. H.)

TRUSTS (2)
Argyle Trust, N.M.C. Invs.

OILS (3)
Bronswick Oil, Galliser Res., Gaelic Oil

OVERSEAS TRADERS (1)
Crosby House

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	65	1	27
Corpns. Dom. & Foreign Bonds	4	9	61
Industrials	320	98	911
Financial & Props.	124	44	343
Oils	30	22	56
Plantations	7	—	15
Mines	29	53	74
Others	76	18	49
Totals	655	245	1,536

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+or−	Net dividend	Times covered	Gross yield	P/E ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price p	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] ... dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ✯ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). ★★ Unit comprising five ordinary and three Cap. shares. ✠ Issued free as an entitlement to ordinary holders.

ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Glaxo	12	780	+10	Driefontein	9	£13	+⅛
RTZ	12	438	−5	Lec Refrigeratn.	9	218	+3
Vaal Reefs	11	£36⅛	+⅛	Racal Electrncs.	9	525	—
BAT Industries	10	488	+8	Shell Transport	9	404	+9
BP	10	296	+8	Unilever	8	605	—
GEC	10	£10⅛	—	Barclays Bank	8	356	+4
De Beers Dfd.	9	248	+3	ICI	8	276	−2

TUESDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Industries	510	+22	ICI	282	+6
Barclays Bank	368	+12	Marchwiel	138	−9
BP	302	+6	Ocean Transport	97	+8
Diploma	297	+21	Phoenix Assurance	264	+2
Gill and Duffus	127	+10	Shell Transport	412	+8
GRE	312	+10	Sun Alliance	750	−10

COMPANY NOTICES

ESSELTE

AKTIEBOLAG

NOTICE OF ANNUAL GENERAL MEETING

Notice is given to the shareholders of Esselte Aktiebolag that the Annual General Meeting of the Company will be held at 4.30 p.m. on Thursday, September 16th, 1982 at the offices of the Company at Sundbybergsvagen 1, Solna, Sweden.

In addition to the matters to be dealt with at the Annual General Meeting in accordance with the Swedish Companies Act and the Articles of Association, a resolution will be proposed to the Annual General Meeting to authorize the Board of Directors to issue bonds comprising options to subscribe for new shares in the Company without first offering such bonds to the existing shareholders in accordance with the 5th Chapter 2nd § of the Swedish Companies Act.

The Board of Directors will also propose a resolution that the record date by which shareholders in the Company must be registered by VPC in a register of shareholders or a list maintained in accordance with the 3rd Chapter 12th § of the Swedish Companies Act in order to participate in the dividend authorized by the Annual General Meeting will be Monday, September 20th, 1982. Should the Annual General Meeting adopt this resolution the date for dispatch of dividends by VPC to those shareholders who are registered with VPC on the record date is estimated to be Monday, September 27th, 1982.

In order to be entitled to participate in the Annual General Meeting a shareholder must be registered with VPC not later than Monday, September 6th, 1982. A shareholder who has had his/her shares registered in the name of a nominee must temporarily register those shares in his/her own name with VPC not later than Monday, September 6th, 1982 in order to be entitled to vote at the Annual General Meeting.

Further in order to take part (whether in person or by proxy) in the Annual General Meeting, a shareholder must give notice to the Company not later than at 4.00 p.m., Monday, September 13th, 1982, in writing to Esselte AB, Box 1371, S-171 27 Solna, Sweden, or by telephone: Stockholm 27 27 60. If by the aforementioned time a shareholder has provided the Company with a power of attorney, giving authority to exercise the voting rights of the shareholders at the Annual General Meeting in accordance with the 9th Chapter 2nd § of the Swedish Companies Act, the shareholder shall be deemed to have duly given notice for participation in the Annual General Meeting.

Solna, September 2nd, 1982

Board of Directors

REPUBLIQUE OF COSTA RICA LOAN

Floating Rate Bonds April 1978-1985 of US$1,000 each

NUMERICAL LIST:

1°) of the series including the 2220 bonds drawn at the fourth drawing of lots on 20th August 1982, representing the entire nominal amount of US$2,220,000 to be redeemed as at 10th October 1982
3,283 to 5,502

2°) of the series previously drawn by lot among which are bonds not yet presented for reimbursement:

Drawing of lots of 20th February 1981—Reimbursement 10th April 1981
8,422 to 10,066

Drawing of lots of 20th August 1981—Reimbursement 10th October 1981
17,479 to 19,698

Drawing of lots 15th February 1982—Reimbursement 10th April 1982
15,462 to 17,472
18,69[illegible] to 19,901

These bonds will be redeemable at US$1,000 at FRENCH AMERICAN BANKING CORPORATION in NEW YORK and at the offices of the following Establishments:

—BANQUE NATIONALE DE PARIS—PARIS
—BANQUE NATIONALE DE PARIS (LUXEMBOURG) S.A.—LUXEMBOURG
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.—LUXEMBOURG
—MERRILL LYNCH INTERNATIONAL BANK LIMITED—LONDRES

Outstanding amount, taking into consideration securities previously repurchased: US$11,120,000

NEW BULOH KASAP COMPANY LIMITED

Coupon No 44 from Ordinary Share Warrants to Bearer and Coupon No 25 from Deferred Share Warrants to Bearer of the above-mentioned Company may now be presented to National Westminster Bank PLC, Stock Office Services, 5th Floor, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2ES, for payment on or after the 6 September 1982 at the rate of £1.50 per Ordinary Share and £0.30 per Deferred Share.
United Kingdom Income Tax at the rate of 30% will be deducted unless the coupons are accompanied by an appropriate Inland Revenue declaration.
Postal applications cannot be accepted.

ANGOSTURA BITTERS (DR. J. G. B. SIEGERT & SONS) LIMITED
(Incorporated in Trinidad, W.I.)

At a meeting held 30th July, 1982 Board declared preference dividend in respect of year to 31st December 1982 of 10% less withholding tax for non-residents of Trinidad and Tobago. Preference stock register closed from 24th and 25th August 1982, both days inclusive. Dividend payable 25th August.

J. M. CALLAWAY (Miss), Transfer Officer.

The Manager, Canadian Imperial Bank of Commerce, 56 Bishopsgate, London EC2N 3NN.

ICI FINANCE (NEDERLANDS) NV

Copies of the 1981 Annual Accounts of ICI FINANCE (NEDERLANDS) NV can be obtained from Registrar's Department, Imperial Chemical Industries PLC, Millbank, London SW1P 3JF.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 a.m. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

HANOVERIAN NIGHTCLUB and Res., 9, Hanover Street, W1. Where today's businessman can enjoy an exciting and relaxing evening. Charming and discreet dancing partners available nightly 9 pm-3 am. Recommended to ring for res. on 01-408 0288.

ART GALLERIES

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572-3. XX CENTURY WORKS OF ART. Mon.-Fri. 10-5.

WHITECHAPEL ART GALLERY, E1. 377 0107. Tube Aldgate East. To 26 Sept. SIR CHRISTOPHER WREN. Sun.-Fri. 11-5.50, Thurs. to 7.50, cl. Sat. Admission £1 (50p). Children free. Mondays 2-5.30.

PUBLIC NOTICES

THE FOREIGN COMPENSATION (CZECHOSLOVAKIA) ORDER 1982 (S.I. 1982 No. 1073).

Attention is drawn to the above mentioned Order, a copy of which may be obtained from Her Majesty's Stationery Office and which enables the Foreign Compensation Commission to receive and determine claims in respect of certain Debts, Bank Balances, Shares, Immovable Property (Land and Buildings), Businesses, Movables, Bonds (including the Czechoslovak guaranteed portion of the Austrian Government Guaranteed Conversion Loan 1934/59, 4½% Guaranteed Sterling Bonds, Pensions and other Property in Czechoslovakia from persons who can show qualification as United Kingdom nationals on 2nd February 1982 and establish the necessary requirements for beneficial ownership under the Order.
Persons who wish to apply for compensation should write as soon as possible for application forms to the Secretary, Foreign Compensation Commission, Alexandra House, Kingsway, London WC2B 6TT. It will considerably expedite the work of dealing with claims if an indication can be given in the letter as to which of the above categories of property will be included in the application when made.
The Order provides that an application shall not be entertained unless it has reached the Foreign Compensation Commission on or before 31 August 1983.

LOCAL AUTHORITY BILLS

STRATHCLYDE REGIONAL COUNCIL
£5,000,000 Bills issue date 1.9.82 maturing 1.12.82 at 10%. Applications totalled £83,000,000 and there are £36,000,000 Bills outstanding.

CITY OF MANCHESTER
Tenders totalling £145½m were received for £28½m Bills issued on 1.9.82 to mature on 1.12.82. The highest rate accepted was 10[illegible]% 0.8.

EXETER CITY COUNCIL BILLS
£300,000 Bills issued 1st September 1982 due 1st December 1982 at 10%. Applications totalled £1,500,000. £300,000 Bills are outstanding.

SOLIHULL METROPOLITAN BOROUGH
£2.0m Bills due on 1st December 1982, were offered on 1st September 1982 and were allocated at a rate of 10%. Applications totalled £10m. The total of Bills outstanding is £3.0m.

ST. HELENS BOROUGH COUNCIL
Bills issued 31st August 1982 £1.75m at 10% due 30th November 1982. Applications £10.5m. Total outstanding £6.25m.

مكتبة الأحول

Companies and Markets **CURRENCIES and MONEY**

Dollar nervous

The dollar lost ground yesterday afternoon to finish below Tuesday's closing levels in London. Initially the dollar showed a firmer trend as Eurodollar interest rates opened firmer but action later in the day by the U.S. Federal Reserve Bank to add liquidity to the market saw the dollar lose ground. However trading remained rather thin and erratic.

Sterling was stronger overall, improving against the dollar but losing a little ground to European currencies.

DOLLAR — Trade weighted index (Bank of England) 121.5 against 121.7 on Tuesday and 113.5 six months ago. Three-month Treasury bills 8.34 per cent (12.16 per cent six months ago). Annual inflation rate 6.5 per cent (7.1 per cent previous month) — The dollar closed at DM 2.4910 against the D-mark compared with DM 2.5010, having touched a high of DM 2.5015 during the day. Similarly against the Swiss franc it slipped to SwFr 2.1210 from SwFr 2.1335 and Y258.90 from Y261.47½. Against the French franc it fell to FFr 6.9625 from FFr 7.0235.

STERLING — Trade weighted index 91.6 against 91.4 at noon, 91.3 at the opening and 91.4 on Tuesday (91.1 six months ago). Three-month interbank 10 11/16 per cent (14¼ per cent six months ago). Annual inflation 8.7 per cent (9.2 per cent previous month) — Sterling opened at $1.7175 against the dollar and fell to a low of $1.7140 before recovering to $1.7250 in the afternoon as the dollar slipped back. It closed at $1.7205-1.7215, a rise of 40 points. Against the D-mark it closed at DM 4.29 compared with DM 4.2925 and SwFr 3.6525 from SwFr 3.6625. It was also lower against the French franc at FFr 12.0150 from FFr 12.06.

D-MARK — EMS member (weakest). Trade weighted index unchanged at 124.9 from Tuesday and 121.7 six months ago. Three-month interbank 8.40 per cent (10.25 per cent six months ago). Annual inflation 5.1 per cent (5.6 per cent previous month)—The D-mark was firmer against most currencies at yesterday's fixing in Frankfurt in rather quiet trading. There appeared to be little incentive at the moment following the end of the month, with U.S. interest rates marked slightly firmer after the recent sharp decline. The market was also waiting for the results of the Bundesbank's money market repurchase agreements although many believed that bids would be accepted close to the current Lombard rate of 8 per cent. The dollar was fixed at DM 2.4975, little changed from Tuesday's figure of DM 2.4972 and there was no intervention by the Bundesbank. Sterling slipped to DM 4.2850 from DM 4.2940 and the Swiss franc was lower at DM 1.1735 compared with DM 1.1785. Within the EMS the French franc fell to DM 35.62 per FFr 100 from DM 35.635 while the Dutch guilder rose to DM 91.475 per Fl 100 from DM 91.27.

BELGIAN FRANC — EMS member (second weakest). Trade weighted index 94.7 against 94.8 on Tuesday and 96.6 six months ago. Three-month Treasury bills 13¾ per cent (14 per cent) six months ago). Annual inflation 9.0 per cent (8.9 per cent previous month)—The Belgian franc was fairly steady in Brussels yesterday. There was no intervention by the authorities in the foreign exchange market according to figures released yesterday during the past week. The franc has shown a slight improvement just recently but an upturn in U.S. interest rates in the past few days has kept the market nervous awaiting some clearer trend. At yesterday's fixing the dollar fell to BFr 47.8350 from BFr 47.8775 and sterling was lower at BFr 82.1675 compared with BFr 82.2450. Within the EMS the D-mark slipped to BFr 19.1625 from BFr 19.1640 and the French franc lost ground to BFr 6.8275 from BFr 6.8300.

THE POUND SPOT AND FORWARD

Sept 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7140-1.7250	1.7205-1.7210	par-0.05c dis	−0.17	0.31-0.36dis	−0.78
Canada	2.1250-2.1350	2.1290-2.1300	0.53-0.63c dis	−3.27	1.63-1.73dis	−3.16
Nethlnd.	4.68-4.71	4.69-4.70	1½-1c pm	3.19	3⅝-3⅛ pm	2.87
Belgium	82.00-82.40	82.15-82.25	12-22c dis	−2.48	50-60 dis	−2.68
Denmark	14.97-15.04	14.99-15.00	2¼-3¼ore dis	−2.60	10½-12 dis	−3.00
Ireland	1.2420-1.2500	1.2460-1.2470	0.45-0.58p dis	−4.98	1.37-1.55dis	−4.68
W. Ger.	4.27½-4.30½	4.28½-4.29½	1½-⅞pf pm	3.15	3¼-2⅞ pm	2.80
Portugal	148.00-149.50	148.50-149.00	105-290c dis	−15.93	245-780dis	−13.78
Spain	193.70-194.50	193.90-194.10	75-105c dis	−5.57	345-390 dis	−7.58
Italy	2,412-2,420	2,413-2,416	21-24lire dis	−11.18	63-67 dis	−10.77
Norway	11.52-11.57	11.54½-11.55½	1½-2¼ore dis	−2.08	8⅞-10 dis	−3.26
France	12.00-12.06	12.01-12.02	7-10c dis	−8.49	33-38 dis	−11.82
Sweden	10.56-10.63	10.60½-10.61½	4½-4⅞ore dis	−5.09	11½-11⅞ dis	−4.33
Japan	443-448	445½-446½	1.60-1.40y pm	4.03	4.30-4.00 pm	3.72
Austria	30.12-30.27	30.15-30.20	10-7gro pm	3.38	21-16 pm	2.45
Switz.	3.64-3.67	3.64¾-3.65¾	2½-2⅛c pm	8.21	6¾-5¾ pm	6.57

Belgian rate is for convertible francs. Financial franc 86.55-86.65. Six-month forward dollar 1.35-1.45c dis. 12-month 3.30-3.45c dis.

THE DOLLAR SPOT AND FORWARD

Sept 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7140-1.7250	1.7205-1.7215	par-0.05c dis	−0.17	0.31-0.36dis	−0.78
Ireland†	1.3700-1.3830	1.3820-1.3830	0.60-0.50c pm	4.78	1.40-1.25 pm	3.84
Canada	1.2370-1.2410	1.2370-1.2380	0.31-0.34c dis	−3.15	0.74-0.78dis	−2.46
Nethlnd.	2.7210-2.7310	2.7210-2.7230	0.85-0.75c pm	3.52	2.57-2.47 pm	3.70
Belgium	47.74-47.86	47.76-47.78	9-11c dis	−2.51	22-26 dis	−2.01
Denmark	8.7165-8.7360	8.7180-8.7230	2.05-2.30ore dis	−2.99	5.10-5.60dis	−2.45
W. Ger.	2.4870-2.5015	2.4905-2.4915	0.72-0.67pf pm	3.35	2.24-2.19 pm	3.56
Portugal	86.10-86.85	86.35-86.55	75-175c dis	−17.35	150-450dis	−13.88
Spain	112.70-113.05	112.70-112.75	50-60c dis	−5.84	185-210 dis	−5.99
Italy	1,402¼-1,408	1,402¾-1,403¾	12½-14lire dis	−11.32	34-36 dis	−9.97
Norway	6.7060-6.7280	6.7065-6.7115	1.20-1.80ore dis	−2.60	4.10-4.50dis	−2.56
France	6.9800-7.0275	6.9800-6.9850	4½-5½c dis	−6.57	17-18½ dis	−10.14
Sweden	6.1570-6.1705	6.1610-6.1660	1.80-2.00ore dis	−3.70	4.40-4.60dis	−3.92
Japan	258.60-259.90	258.85-258.95	0.95-0.87y pm	4.22	2.88-2.78 pm	4.37
Austria	17.50-17.57½	17.50-17.51	9.10-5.10gro pm	3.83	17.75-15.25pm	3.78
Switz.	2.1175-2.1330	2.1205-2.1215	1.53-1.45c pm	8.43	4.02-3.94 pm	7.50

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 50.28-50.38.

CURRENCY MOVEMENTS

Sept. 1	Bank of England Index	Morgan Guaranty Changes%
Sterling	91.6	−51.9
U.S. dollar	121.5	+11.0
Canadian dollar	99.6	−19.0
Austrian schilling	117.4	+26.6
Belgian franc	94.7	−1.0
Danish kroner	81.4	−15.3
Deutsche mark	124.9	+49.7
Swiss franc	145.0	+96.2
Guilder	117.2	+24.4
French franc	76.0	−20.9
Lira	53.4	−58.6
Yen	161.5	+25.2

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average)

CURRENCY RATES

Sept. 1	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.630897	0.549885
U.S. $	10	1.08252	0.946527
Canadian $	13.95	*	1.17287
Austria Sch.	6¾	19.0970	16.6163
Belgian F.	13	61.7971	46.2251
Danish Kr.	11	9.45398	8.24985
D mark	7	2.70384	2.35806
Guilder	7	2.05501	2.07814
French F.	9½	7.59070	6.62400
Lira	18	N/A	1329.54
Yen	5½	281,569	245,082
Norwgn. Kr.	9	7.27701	6.34907
Spanish Pts.	8	N/A	106.752
Swedish Kr.	10	6.66244	5.82696
Swiss Fr.	6	2.30403	2.00846
Greek Dr'ch	20½	76.6336	66.8224

*C$/SDR rate for August 21: 1.34238.

OTHER CURRENCIES

Sept. 1	£	$		£ Note Rates
Argentina Peso	42,228†	24,530†	Austria	30.00-30.30
Australia Dollar	1.7780-1.7800	1.0345-1.0350	Belgium	86-87
Brazil Cruzeiro	632.07-633.07	192.71-196.67	Denmark	14.89-15.03
Finland Markka	8.2146-8.2180	4.7700-4.7720	France	11.99-12.09
Greek Drachma	119.162-122.800	70.50-70.80	Germany	4.27-4.31
Hong Kong Dollar	10.44-10.46½	6.0700-6.0750	Italy	2380-2450
Iran Rial	146.30*	85.00*	Japan	445-450
Kuwait Dinar (KD)	0.50145-0.50216	0.29105-0.29125	Netherlands	4.68-4.72
Luxembourg Fr.	82.15-82.25	47.76-47.78	Norway	11.49-11.59
Malaysia Dollar	4.0325-4.0425	2.3445-2.3466	Portugal	148-190
New Zealand Dlr.	2.3570-2.3620	1.3715-1.3735	Spain	190¼-201
Saudi Arab. Riyal	5.9275-5.9335	3.4405-3.4416	Sweden	10.50-10.60
Singapore Dollar	3.6950-3.7050	2.1490-2.1610	Switzerland	3.64-3.68
Sth. African Rand	1.9775-1.9800	1.1490-1.1505	United States	1.71-1.73
U.A.E. Dirham	6.3280-6.3340	3.6710-3.6740	Yugoslavia	100-108

**The rate for August 31 should have read 9.2083-9.2182.
† Rate shown for Argentina is commercial. Financial rate 67,075-67,116 against sterling 38,950-39,000 against dollar. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.2251	+0.57	+0.42	±1.5501
Danish Krone	8.23400	8.24985	+0.19	+0.04	±1.6430
German D-Mark	2.33379	2.35805	+1.04	+0.89	±1.0888
French Franc	6.61387	6.62402	+0.15	—	±1.3940
Dutch Guilder	2.57971	2.57814	−0.06	−0.21	±1.5004
Irish Punt	0.691011	0.685961	−0.73	−0.88	±1.6691
Italian Lira	1350.27	1329.54	−1.54	−1.54	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Sept. 1	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.721	4.290	446.0	12.015	3.653	4.696	2414.	2.130	82.20
U.S. Dollar	0.581	1.	2.493	259.2	6.981	2.122	2.728	1403.	1.237	47.76
Deutschemark	0.233	0.401	1.	104.0	2.801	0.851	1.094	562.7	0.496	19.16
Japanese Yen 1,000	2.242	3.859	9.619	1000.	26.94	8.190	10.53	5413.	4.776	184.3
French Franc 10	0.832	1.433	3.571	371.2	10.	3.040	3.908	2009.	1.773	68.41
Swiss Franc	0.274	0.471	1.175	122.1	3.290	1.	1.285	660.9	0.583	22.51
Dutch Guilder	0.213	0.367	0.914	94.99	2.559	0.778	1.	514.2	0.454	17.51
Italian Lira 1,000	0.414	0.713	1.777	184.8	4.977	1.513	1.945	1000.	0.882	34.05
Canadian Dollar	0.470	0.808	2.015	209.4	5.642	1.715	2.205	1134.	1.	38.60
Belgian Franc 100	1.217	2.094	5.219	542.6	14.62	4.443	5.712	2937.	2.591	100.

FT LONDON INTERBANK FIXING (11.00 a.m. SEPTEMBER 1)

3 months U.S. dollars		6 months U.S. dollars	
bid 11 7/8	offer 12	bid 12 3/4	offer 12 7/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10⅞-11⅛	11-11¼	14½-15¼	7½-7⅝	2¼-2¾	7¾-7⅞	14-15	21-25	13-14	13-13½	6¾-7	12-13½
7 day's notice	11-11⅛	11⅛-11⅜	14¾-15¼	7⅝-7¾	2¾-3¼	7¾-7⅞	14½-16	20½-22⅝	13⅛-15	15½-13¾	7-7⅛	12¾-14¼
Month	11 1/16-11 3/16	11⅛-11⅜	14⅛-14⅜	7 7/16-7 9/16	3¼-3⅜	9-9⅛	19½-20	22-22⅞	16¼-14¼	15⅝-13⅛	7 3/16-7 5/16	14⅞-16⅜
Three months	11-11⅛	11 9/16-11 11/16	14¼-14½	9-8⅛	4-4⅛	8 9/16-8 11/16	20-22	21¾-22⅛	13¼-14¼	13¾-14	7⅜-7½	14-15½
Six months	11-11⅛	12 1/16-12 3/16	14⅞-15⅛	9¼-8⅜	4 5/16-4 7/16	8⅝-9⅛	21-22½	22⅝-23⅛	14¼-16¼	13⅞-14⅛	7 7/16-7 9/16	16½-18
One Year	11-11⅛	13-15½	14⅞-15⅛	8 5/16-8 7/16	4 5/16-4 7/16	8 7/16-8 9/16	20-21½	22⅛-22⅞	14-15	16¾-14	7 7/16-7 9/16	16½-18

SDR linked deposits: one month 10 13/16-11 3/16 per cent; three months 11⅛-11⅝ per cent; six months 11 13/16-12 3/16 per cent; one year 11⅞-12¼ per cent.
ECU linked deposits: one month 12¼-12½ per cent; three months 12⅝-13 per cent; six months 12⅞-13⅛ per cent; one year 12½-12⅞ per cent.
Asian $ (closing rates in Singapore): one month 11 1/16-11 3/16 per cent; three months 11 9/16-11 11/16 per cent; six months 12 1/16-12 3/16 per cent; one year 12⅞-13 per cent. Long-term Eurodollar: two years 13¾-14 per cent; three years 13⅞-14⅛ per cent; four years 14⅛-14⅜ per cent; five years 14¼-14½ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following rates were quoted for London dollar certificates of deposit: one month 10.70-10.80 per cent; three months 11.10-11.20 per cent; six months 12.00-12.10 per cent; one year 12.45-12.65 per cent.

MONEY MARKETS

London rates firm

UK clearing bank base lending rate 10½ per cent (since August 30 and 31)

Interest rates remained firm in the London money market yesterday, with longer period interbank rates—from six months to a year—rising to 10 15/16-11⅛ per cent from 10 13/16-10 15/16 per cent. But overnight money eased to 7-9 per cent at the close despite the lower amount of help from the Bank of England than indicated by underlying market factors.

Payment of petroleum revenue tax was the major reason for the shortage, and this is also likely to be behind today's shortage, which market sources suggested could be even larger.

The Bank forecast a shortage of £600m with factors affecting the market including bills maturing in official hands and a net take-up of Treasury bills −£218m and Exchequer transactions −£350m. Assistance in the morning came to £467m and comprised purchases of £1m of Treasury bills and £21m of eligible bank bills in band 1 (up to 14 days) at 10⅜ per cent and in band 2 (15-33 days) £1m of local authority bills and £199m of eligible bank bills at 10¼ per cent. In band 3 (34-63 days) it bought £1m of local authority bills and £132m of eligible bank bills at 10⅛ per cent and in band 4 (64-91 days) £7m of local authority bills at 10¼ per cent and £105m of eligible bank bills (64-84 days) at 10¼ per cent.

The forecast was later revised to a shortage of around £700m before taking into account the morning's assistance and the Bank gave further help of £79m, making a grand total of £546m. The afternoon help was made up of purchases of £23m of eligible bank bills in band 2 at 10¼ per cent and in band 3 £15m of Treasury bills and £16m of eligible bank bills at 10⅛ per cent. In band 4 it bought £5m of Treasury bills (64-91 days) and £20m of eligible bank bills at 10¼ per cent.

In Frankfurt call money was very firm at around 8.00-8.10 per cent as the Bundesbank announced a securities repurchase agreement to add liquidity to the money market for 28 days at a minimum interest rate of 7.5 per cent. Bids will be accepted today for repurchase agreements beginning on Friday to replace DM 6.9m from an expiring repurchase plan. Large corporate tax payments are due around the middle of the month, leading to heavy demand for funds, and bids in a probable range of 7.75 to 8 per cent. Market estimates suggest that around DM 10m of extra liquidity will be needed.

EUROCURRENCIES

Eurodollars higher

Eurodollar interest rates finished slightly firmer yesterday, but declined from the high levels touched earlier in the day. Eurosterling rates were firm throughout, ending about ⅛ per cent higher on the day. The upward trend by both dollar and sterling rates left rates for the dollar against sterling little changed in forward foreign exchange trading.

Euro D-mark rates eased slightly despite tight conditions in the German domestic money market, while Euro Swiss franc rates showed small mixed changes.

The recent sharp widening of French franc forward rates against the dollar was reversed yesterday, as Euro French franc rates declined, but Eurolira rates were firmer, and trading in both currencies remained nervous.

MONEY RATES

NEW YORK

Prime rate	13½
Fed funds (lunch-time)	11⅝-11¾
Treasury bills (13-week)	8.34
Treasury bills (26-week)	9.60

GERMANY

Lombard	8.00
Overnight rate	5.05
One month	8.225
Three months	8.375
Six months	8.425

FRANCE

Intervention rate	14.25
Overnight rate	14.25
One month	14.0625
Three months	14.125
Six months	14.15625

JAPAN

Discount rate	5.5
Call (unconditional)	6.96875
Bill discount (three-month)	7.34375

LONDON MONEY RATES

Sept. 1 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	7-11¼	11	—	—	10¾-11⅛	9-10¾	—	—	—
2 days notice	—	—	11-11⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11 1/16-11¼	11-11⅛	—	—	11-11¼	10⅛-10⅝	—	—	—
One month	11 3/16-10 15/16	11-11 3/16	11	11⅛-11¼	11	11-11⅛	10½	10 5/16	10⅜	11 1/16
Two months	11-10 15/16	10 15/16-11⅛	10⅞	11⅛-11⅛	11	10 15/16-11 1/16	10¼	10⅜	10⅜	11
Three months	10 15/16-10 13/16	10⅞-11 1/16	10¾	11⅛-10⅞	11 1/16	10⅞-11	10⅛	10 3/16	10¼	10⅞
Six months	10⅞-10⅝	10 15/16-11⅛	10½	10-9¾	11 1/16	—	—	—	10¼	10¾
Nine months	10¾-10⅝	10 15/16-11¼	—	9⅝-9⅞	11 1/16	—	—	—	—	—
One year	10¾-10⅝	10 15/16-11⅛	10¼	9⅝-9⅝	11 1/16	—	—	—	—	—
Two years	—	—	10¾	—	—	—	—	—	—	—

ECGD Fixed Rate Sterling Export Finance. Scheme IV Average Reference Rate for interest period 19 July to 3 August 1982 (inclusive): 12.143 per cent.

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates, nominally three years 10⅞ per cent; four years 11 per cent; five years 11¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-months bank bills 10⅛ per cent; four months trade bills 10 11/16 per cent.

Approximate selling rate for one month Treasury bills 10 7/16 per cent; two months 10¼ per cent and three months 9 15/16 per cent. Approximate selling rate for one month bank bills 10 9/32 per cent; two months 10 11/32 per cent and three months 10 3/16 per cent; one month trade bills 10 15/16 per cent; two months 10¾ per cent; three months 10⅝ per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 12 per cent from September 1 1982. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Clearing Bank Deposit Rates for sums at seven days notice 7¼-7½ per cent. Treasury Bills: Average tender rates of discount 9.9176 per cent. Certificates of Tax Deposit (Series 5) 11 per cent from August 18. Deposits withdrawn for cash 8 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

[illegible]

هكذا من الأصل

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Aug. 2	$50.98	54.21	.....	—
COUNT** Aug. 2	£3.073	3.259	.....	1.61
CANRHO** Aug. 2	£1.384	1.463	.....	—
MAPSA* Aug. 2	$9.58	10.19	.....	—

Original issue *$10 and **£1. Next val. Sept. 6.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi Aug 31		Y25,754	.....	—
Nippon Fd Aug 31	18.54	19.37	-0.59	1.39

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

U.S. Dollar Denominated Funds

Am. Smaller Cos. Fd.	$1.428	1.539	.....	—
Gold Fund*	0.809	0.863	-0.08	6.14
First Intl.	$222.72	223.61	-8.14	—
Universal Grwth Fund	$0.795	0.853	.....	—
Dollar Income Fd.	$0.789	0.846	-0.03	12.90
Normandie Intl. $Fd.†	$9.50	10.00	.....	—

†New dealing Sept. 6.

Sterling Denominated Funds

American Investments	52.4	56.3	.....	4.00
Australian Perf. Fd.	61.9	66.4	.....	—
Far East Fund	76.0	81.7	.....	1.00
First Sterling	18.73	18.85	+2.65	1.50
Jersey Energy Tst	14.7	15.8	.....	1.50
Jersey Gilt*	21.7	23.0	+0.2	11.96
U.K. Growth Fund	42.9	46.1	.....	3.90
USM Fund*	105.6	113.6	-0.2	—

Sterling Deposit Funds

Managed Currcy. Fd.*	£12.33	12.98	+0.02	8.68
Capital Dep. Trust**	£14.55	14.56	.....	0.25

King & Shaxson Mngs.
1, Charing Cross, St. Helier, Jersey. 0534 73741
1, Thomas Street, Douglas, I.o.M. 0624 4856

Gilt Trust (I.O.M.)	95.1	97.5	-2.6	12.00

*Daily Dealing—Other Funds Weekly Mondays. **Tuesday Weekly-Capital Return 9.35%.

Brown Shipley Tst. Co. (Jersey) Ltd.

Granville Management Limited
P.O. Box 73, St. Helier, Jersey.

Granville Inv. Tst.	£6.20	6.54	.....

Next dealing day Sept 15.

Guinness Mahon Int. Fund (Guernsey)
PO Box 188, St. Peter Port, Guernsey.

US$ Price	$19.51	20.23	.....
£ Sterling Equivalent	£11.26	11.67	.....
S.D.R. Equivalent	17.95	18.61	.....

Prices at Aug 18. Next dealing Sept 2

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far Eastern Aug 18	HK$20.30	21.48	+0.06
Japan Fund Aug 27	$8.52	9.13	.....

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey.

Capital Reserve Fd.†	£15.35	15.37	.....
C.I. Fund	240.6	256.2	.....
Special Sits. Fund	84.0	88.5	.....
Sterling Income Fund*	112.0	117.2	-1.7
Dollar Income Fund	$1.05	1.092	-0.02
Trans. Nat. Trust	$0.921	0.970	+0.27
Intnl Bond	$104.28	109.77	.....
Int. Equity	$14.39	15.15	.....
Int. Svgs. 'A' $US	$1.44	1.52	.....
Int. Svgs. 'B'	$1.54	1.62	.....
Galleon Ass. Fund 'A'	$1.036	1.037	+0.05
Galleon Ass. Fund 'B'	$1.014	1.015	+0.05

†Excludes initial charge on small orders

Henderson Admin. & Man. (Guernsey)
7 New St., St. Peter Port, Guernsey

American (US cents)	110.1	115.9	.....
Ntrl. Res. (U.S. cents)	92.2	97.1	.....
Gilt Fund	£10.18	10.80	+0.01

Henderson Baring Group
801, Gloucester Tower, 11, Pedder St., Hong Kong

Australia*	$7.01	7.56	.....
Japan Tech.	$14.86	15.88	-0.21
Japan Fund	$23.20	24.79	.....
Malay Sing.	$14.97	16.12	+0.07
Pacific Fd.	$10.663	11.196	.....
Bond Fd.	$10.501	11.026	.....

Weekly dealings.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey,

Guernsey Tst.	220.7	236.1	+0.8

Hill Samuel Investment Mgmt. Intnl.
P.O. Box 63, Jersey.

OFFSHORE AND OVERSEAS

NOTES

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100	94¾	Exch. 8¾pc 1983	99½	..	8.79	10.01
97½	91	Exch. 3pc 1983	97⅛	....	3.09	9.33
101¾	95¾	Treasury 12pc 1983‡‡	101¼xd	..	11.84	9.45
100¼	92⅞	Treasury 9¾pc '83	99⅝	...	9.20	9.66
104¼	96⅞	Exch. 13½pc '83	103⅝	...	13.03	10.16
101	91⅞	Exch. 10pc 1983	99¾	–⅛	10.83	10.15
98¼	87⅞	Funding 5½pc '82-84‡‡	95¼	...	5.77	9.22
103⅝	91⅞	Exch. 11¼pc 1984	101½	..	11.08	10.08
107⅛	96⅛	Exchequer 14pc 1984	104¼	...	13.37	10.84
93¼	81¼	Exch. 3pc 1984	91½	...	3.28	8.17
104½	91½	Treasury 12pc 1984	102¼xd		11.66	10.51
110⅛	96¾	Treasury 15pc 1985	108⅛		13.84	11.01
107⅝	89½	Exch. 12pc Cnv. '85	104xd	..	11.54	10.22
90	73½	Treasury 3pc 1985	87½	..	3.43	8.22
104⅛	87½	Treasury 11½pc 1985	101⅛	...	11.37	11.01
105⅛	88⅝	Exch. 12¼pc 1985	103⅜	...	11.85	10.93
104¼	86⅛	Exch. 11¾pc '86	102⅜	....	11.48	10.89
87¼	69	Treasury 3pc 1986	84½	....	3.55	7.89
104⅞	86⅛	Treasury 12pc '86	102½	..	11.71	11.15
96¼	80⅛	Treasury 8½pc '84-86‡‡	96	....	8.85	9.75
108½	96⅛	Treas. 12¾pc '86 Cnv.	106	....	11.56	10.28
111	91⅞	Exch. 14pc 1986	109⅜	...	12.80	11.09
109	90	Exch. 13¼pc 1987	107⅜	...	12.34	11.05
41⅛	40½	Exch 10½pc '87 (£40pd)	40½	...	10.58	10.71
91¼	73⅞	Funding 6½pc '85-87‡‡	89¼	....	7.28	9.39
84¼	64½	Treasury 3pc 1987	81¼	...	3.67	7.55
		Five to Fifteen Years				
107⅞	85⅞	Treas. 12pc 1987	106½	–½	11.71	11.32
104⅞	99⅝	Treas 12pc 1987 'A'	103⅝	+⅛	11.69	11.31
94½	72½	Treasury 7¾pc '85-88‡‡	93¼	+½	8.38	9.56
78½	60⅛	Transport 3pc '78-88	75	+¼	4.03	0.67
101⅛	79⅞	Treasury 11½pc 1989	99½xd	+⅛	11.60	11.58
79½	62½	Treasury 5pc '86-89	78¾	+½	6.51	9.55
109⅜	85⅞	Treasury 13pc 1990‡‡	107½	–¼	12.29	11.79
104⅛	85⅝	Exch. 12½pc 1990	102½xd	+½	12.11	11.87
90¼	70⅛	Treasury 8¼pc '87-90‡‡	09½	–¼	9.41	10.60
102⅞	77⅞	Treasury 11¾pc 1991	100½	+¼	11.90	11.97
76½	59¾	Funding 5¾pc '87-91‡‡	73¾xd	+⅛	7.74	10.35
101	76⅛	Exch. 11pc 1991	99½	+½	11.51	11.79
109	81⅞	Treasury 12¾pc '92‡‡	106¼		12.17	11.07
94	70	Treasury 10pc 1992	92¼xd	+¼	10.88	11.41
104⅞	80⅞	Exch. 12¼pc '92	102	+¼	12.04	11.95
110¼	88⅝	Exchequer 13½pc '92	107xd	.	12.53	12.15
107½	80⅝	Treasury 12½pc '93‡‡	104¼	+⅛	12.13	11.90
71	56¼	Funding 6pc 1993‡‡	71xd	+1¼	8.43	10.46
116¼	88	Treasury 13¾pc 1993‡‡	113¼	+½	12.51	12.09
117½	91⅝	Treasury 14½pc '94‡‡	115¾xd	+½	12.59	12.03
115¼	86¼	Exchequer 13½pc 1994	112¼	–¼	12.50	12.18
106	80⅛	Exch. 12½pc 1994	103½xd	+⅛	12.14	12.02
88¾	66¼	Treasury 9pc '94‡‡	88⅛	+⅝	10.53	11.20
104¼	76½	Treasury 12pc '95	101⅝	+⅜	11.96	11.93
54½	42⅞	Gas 3pc '90/95	54	+¼	5.66	9.44
93⅜	68½	Exch. 10¼pc 1995	92¼	+⅛	11.26	11.60
112	83¼	Treasury 12¼pc '95‡‡	109½	+½	12.07	11.87
116⅝	86¼	Treas. 14pc '96	114½	+¼	12.40	12.02
85½	66⅝	Treasury 9pc '92/96‡‡	85xd	–⅛	10.55	11.13
128¼	96	Treasury 15¼pc '96‡‡	126¼	+¼	12.54	11.98
115¾	86	Exchequer 13¼pc '96‡‡	113½	+⅛	12.10	11.82
52⅞	43⅝	Redemption 3pc 1986-96	51xd	–¼	5.86	9.28
113½	83½	Treasury 13¼pc '97‡‡	111¼	+⅛	12.08	11.81
95¼	69⅝	Exchequer 10½pc 1997	94xd	–½	11.21	11.40
84	64	Treasury 8¾pc 1997‡‡	83¼xd	+⅛	10.53	11.09
		Over Fifteen Years				
127⅞	94¼	Exch. 15pc 1997	126⅛	+⅝	12.41	11.97
73¾	54½	Treasury 6¾pc '95-98‡‡	72¼	+½	9.65	10.75
133¼	98½	Treas. 15½pc '98‡‡	128½xd	+½	12.33	11.89
107½	78¼	Exch 12pc 1998	105⅞	+½	11.77	11.72
89½	66	Treasury 9½pc 1999‡‡	88⅛	+¼	10.86	11.17
108⅝	81¼	Exch. 12¼pc 1999	103¼xd	+⅝	11.77	11.70
97¼	71⅛	Treasury 10½pc 1999	96½	+⅛	11.24	11.37
113⅜	82¼	Treas. 13pc 2000	111¼	+¼	11.88	11.71
121¼	89	Treas. 14pc '98-01	119½	+⅝	12.12	11.79
106¼	76½	Exch. 12pc '99-02	104¼	+¼	11.67	11.59
118	85⅞	Treas. 13¾pc 2000-03	116	–¼	12.01	11.78

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Financial				
103⅛	95½	FFI 14pc '83	102¾	–⅛	13.61	11.50
92	80	FFI/UK Fr 6¼pc Db '81-84	91	....	7.05	12.00
100½	82½	Do 10¼pc Uns Ln '86	100xd		10.50	10.70
100	78	Do 11pc Uns Ln '88	99½xd		11.06	11.30
100	78	Do 11¾pc Uns Ln '90	98½xd	–1	11.93	12.10
101	82	Do 12½pc Uns Ln 1992	100xd	–½	12.50	12.50
73½	54	Do 7¼pc A Deb. '89-92	72xd	–½	10.28	12.37
70½	53	Do 7¼pc A Deb. '91-94	70xd	.	10.36	12.20
80	62	Do. 9pc 'A' '91-94	79½xd	–½	11.26	12.23
77	57⅞	Do 8¾pc Ln. '92-97	76½xd		11.65	12.47
		Building Societies				
101	99	Nat'wide 15¾pc 29.9.82	100⅛xd	.	15.32	10.38
101⅞	99⅝	Do 16¼pc 27.10.82	100½	..	16.19	12.79
101	99½	Do 15¾pc 24.11.82	100⅜	..	15.32	12.21
101⅛	99¼	Do 15¼pc 15.12.82	100¼	..	15.14	11.97
102	99⅛	Do. 16¼pc 17.1.83	101⅝	..	15.90	11.29
102⅛	100	Do. 15⅝pc 7.2.83	101¼	..	15.36	11.09
101⅞	99⅝	Do. 14¼pc 14.3.83	101¾xd		14.00	10.82
102⅛	99⅝	Do. 14¼pc 4.4.83	102¼xd	+⅛	13.95	10.61
102	100⅛	Do. 14¾pc 25.4.83	101⅞		14.48	11.69
101⅜	99⅞	Do. 13⅞pc 25.5.83	101½		13.67	11.66
102	100⅛	Do 13½pc 3.6.83	101¼	....	13.70	11.54
102	100⅛	Do. 14pc 4.7.83	102		13.72	11.44
101⅛	100⅛	Do. 13¼pc 25.7.83	101⅛	.	12.95	11.49

FOREIGN BONDS & RAILS

1982 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
16	10	Chinese 4½pc 1898	11	+2	—	—
13	8	Do. 5pc 1912	10		—	—
12	6	Do. 5pc 1913	10		—	—
10½	6	Do 5pc '25 Boxer	10		—	—
44	40	Greek 7pc Ass.	43	.	3½	8.25
42	40	Do 6pc '28 Stb Ass.	41	.	3	7.59
38	35	Do 4pc Mixed Ass.	38	.	2	5.27
35	27	Hung. '24 Ass.	27xd	.	2	10.19
115	87½	[illegible]	113xd	–1	15	13.69

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & H.P.—Cont.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

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MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
120	75	Falcon Rh.50c	120	+18	Q25c	10.3	10.4
33	19	Wankie Col. Z$1	23	......	Q3c	1.2	7.0
21	12	Zam.Cpr.SBD0.24	14	......	—	—	—

Australian

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

44	27	‡Southwest C. 10p	36	......	—	—	—
500	270	Tara Exptn. $1	325	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- § No par value.
- ♥ Rate applicable to non-Zimbabwean residents.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

			IRISH		
Albany Inv. 20p	41	......	Conv. 9% '80/82	£99¼	......
Bertrams	17#	......	Nat. 9¾% 84/89	£77¾	+½
Bdg'wtr. Est. 50p	455	......	Fin. 13% 97/02	£81⅝xd	+½
Craig & Rose £1	£12½	......	Alliance Gas	90	......
Finlay Pkg. 5p	30	......	Arnott	220	......
Graig Ship. £1	£10	......	Carroll (P.J.)	75	......
Higsons Brew	88	+1	Concrete Prods.	60	......
Holt (Jos) 25p	800	......	Heiton (Hldgs.)	16	......
I.O.M. Stm. £1	80	......	Ins. Corpn. Ireland	415	......
Pearce (C. H.)	£12	......	Irish Ropes	33	......
Peel Hldgs.	151	......	Jacob	68	......
Sheff. Refrshmt	90	......	T.M.G.	7	......
Sindall (Wm.)	245	......	Unidare	45	......

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	8	House of Fraser	13	Utd. Drapery	7
BOC Intl.	15	I.C.I.	24	Vickers	16
B.S.R.	8½	"Imps"	8	Woolworths	5
Babcock	10	I.C.L.	5½		
Barclays Bank	42	Ladbroke	15	**Property**	
Beecham	21	Legal & Gen.	19	Brit. Land	7½
Blue Circle	48	Lex Service	10	Cap. Counties	10
Boots	19	Lloyds Bank	42	Land Secs.	28
Bowaters	24	"Lofs"	6½	MEPC	20
Brit. Aerospace	17	London Brick	7	Peachey	14
B.A.T.	38	Lucas Inds.	20	Samuel Props.	11
Brown (J.)	7	"Mams"	12	Town & City	9½
Burton Ord.	13	Mrks. & Spncr	12		
Cadburys	9	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	9	Brit. Petroleum	26
Debenhams	7	Nat. West. Bank	38	Burmah Oil	10
Distillers	15	P & O Dfd.	14	Charterhall	6
Dunlop	6½	Plessey	32	KCA	14
Eagle Star	31	Racal Elect.	35	Premier	6
F.N.F.C.	4	R.H.M.	6½	Shell	30
Gen. Accident	28	Rank Org. Ord.	20	Tricentrol	22
Gen. Electric	65	Reed Intnl.	26	Ultramar	38
Glaxo	42	Sears	6		
Grand Met.	17	T.I.	13	**Mines**	
G.U.S. "A"	45	Tesco	5½	Charter Cons.	25
Guardian	25	Thorn EMI	42	Cons. Gold	45
G.K.N.	15	Trust Houses	11	Lonrho	7
Hawker Sidd	30	Turner & Newall	11	Rio T. Zinc	42
		Unilever	55		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 25

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FINANCIAL TIMES
Thursday September 2 1982

Cheverton Workboats
built for the job 6m-23m
Cowes, Isle of Wight.

SOLIDARITY DEMONSTRATIONS LED TO MORE THAN 1,000 ARRESTS

Poland admits two killed in firing

BY CHRISTOPHER BOBINSKI IN WARSAW

TWO DEMONSTRATORS were killed and 12 injured, three of them seriously, by Polish security forces firing into a crowd at Lubin in Western Poland on Tuesday, the Government reported yesterday.

The deaths came during a day of widespread violence as police cleared protesters in this important copper mining centre with 80,000 inhabitants.

Officials told Western diplomats that up to 75,000 people took to the streets around the country to show support for the Solidarity union movement.

One official said 136 members of the security forces were injured and 45 of them were taken to hospital. PAP, the official news agency, said more than 1,000 people were arrested.

Despite this, a Government statement yesterday expressed satisfaction that "genuine workers" did not take part and said that the martial authorities' policy would not be changed.

This indicates that General Wojciech Jaruzelski intends to continue the slow process of easing martial rule and to seek some form of agreement with the moderates in the union movement — on the authorities' terms.

Lubin was reported "quiet so far" yesterday by one local inhabitant who said the demonstration there to commemorate the second anniversary of the founding of the union "was large for a town of Lubin's size."

Warsaw, Gdansk and other major centres disrupted by the rioting were also reported to be quiet.

An official communiqué said the trouble in Lubin started on Tuesday afternoon when the security forces, of whom 11 were injured, fired at a crowd which had been throwing stones and petrol bombs.

The deaths give the Solidarity movement two new martyrs. Eight coal miners were killed at the Wujek mine in Silesia shortly after martial law was imposed in December. There are fears that the latest deaths could lead to strikes in the vital copper industry.

Municipal authorities worked overnight to clear broken glass, stones and barricades which littered streets in many major cities.

In Warsaw yesterday people formed a cross of empty tear gas cannisters next to a floral cross at St Anne's Church, which has become a focus of low-key demonstrations.

PAP said 600 were detained in Warsaw. In Wroclaw, the agency said, 37 police were injured, 17 of whom were treated in hospital, and 645 people were arrested. In Glogow, also in the south-eastern Legnica Province, people attacked the headquarters of the local communist party offices.

At Gorzow, cars were overturned, windows smashed and stones hurled at the police, who detained 120 people. In Szczecin more than 100 people were arrested, state radio reported.

Figures for casualties among the demonstrators have not yet been given, except for those in Lubin.

The main question now is how the underground Solidarity leadership will react to the demonstrations.

The arrest on Tuesday of Mr Zbigniew Romaszewski, an influential member of the underground leadership and a forceful proponent of street demonstrations and a general strike in the autumn weakens the radical wing in the leadership.

On the other hand Mr Zbigniew Bujak, who reportedly backed the call for Tuesday's demonstrations unwillingly, and the remaining members of the leadership, now face the choice of calling for more action on the streets or switching tactics.

One alternative would be for the moderate unionists to renew their efforts, with the help of the Catholic church, to reach some form of agreement with the authorities, for whom the street demonstrations are not a direct internal threat but pose an acute embarrassment

Carrot and stick policy, Page 2

Swiss banks to aid U.S. insider probes

BY PAUL TAYLOR IN NEW YORK AND JOHN WICKS IN ZURICH

THE U.S. and Swiss Governments have signed an agreement which will allow U.S. officials access to secret Swiss bank accounts during insider dealing investigations.

The agreement, announced in Washington yesterday, marks a major breakthrough for the Securities and Exchange Commission, which had become increasingly frustrated by the Swiss banks' code of secrecy during recent investigations into alleged insider dealing.

Corporate insider dealing — using confidential information to trade in U.S. company shares — is illegal in the U.S. and in many other countries including the UK. Switzerland has no laws to prevent insider deals at home or abroad, but the Swiss Government is drafting legislation to outlaw insider dealing which should come into force within the next two years.

Under a 1977 U.S.-Swiss treaty, Swiss banks have been allowed to disclose information about customer accounts only when clients were suspected of illegal actions in both the U.S. and Switzerland.

The new agreement, which will comprise a memorandum of understanding between the two Governments and a voluntary agreement signed by the Swiss banks, will be superseded by the Swiss law when it comes into effect.

The "memorandum of understanding" with the U.S. will mean that Swiss banks can call on clients to give an undertaking that they will not take part in insider transactions. Should they break this pledge, their names could be passed on to the U.S. authorities.

In New York, the SEC yesterday hailed the agreement as "precedent-setting, particularly as a model for similar agreements with other countries." Mr John Fedders, director of the SEC's enforcement division, said the agreement would be "extremely beneficial" to SEC investigators in their drive against insider dealing.

Mr Fedders said the agreement was "a milestone" and that coupled with the SEC's current drive against insider dealing it should act as "a major deterrent to those people presently involved in illegal insider dealing."

The Swiss Embassy in Washington said it expected all the major Swiss banks and most of the smaller ones to co-operate with the agreement and that Switzerland "would not feel sorry" to lose any Swiss bank customers involved in insider dealing who moved their acounts because of the change.

Under the agreement, a system will be set up in Switzerland to process applications from the SEC for account information.

The SEC has complained that until now, when it traced back alleged illegal insider dealing through Swiss bank accounts, it reached "a brick wall." This has made it particularly difficult for the U.S. justice department to bring successful criminal prosecutions.

Swiss bankers welcomed the agreement. Following a number of embarrassing incidents involving Swiss banks last year, they have been keen on finding ways to prevent their involvement in cases of insider dealing. Early this year the Swiss Bankers' Association expressed its willingness to co-operate with the U.S. authorities to guard against "misuse" of Swiss banking secrecy to cover deals contravening SEC regulations.

The banks say they have been put in a difficult position in the past by American demands for the names of clients believed to be involved in insider transactions. This would have made them guilty of a breach of the Swiss banking law.

Thatcher 'hurt' by U.S. action on pipeline

By Paul Cheeseright, World Trade Editor

MRS THATCHER, the Prime Minister, yesterday introduced personal chagrin into the UK Government's quarrel with the U.S. over the supply of equipment for the controversial Siberia-West Europe gas pipeline.

"I now feel particularly wounded by a friend. We have been a staunch friend of the U.S. and shall continue to be," she said during a BBC interview in Glasgow.

The Reagan Administration has placed an embargo on the provision of U.S. goods and services for the pipeline and has stopped American sales to French companies which have shipped goods containing U.S. components.

As John Brown Engineering of Clydebank continued to load turbines for the Soviet pipeline, also with American parts, Mrs Thatcher said: "We will stick to that deal. We want to deliver. We shall deliver."

Underlining the Government's determination not to be awed by the U.S. embargo, Mrs Thatcher added: "I feel very strongly that once you have made a deal you have got to keep it.

"When you have made a contract, short of war or something like the Falkland Islands, you do not just upset it."

Some form of U.S. action against John Brown could come next week after the turbines have been shipped.

Pressure persists on U.S., Page 4

Five British Sugar directors to resign

By Dominic Lawson

FIVE British Sugar directors are about to resign, the company said yesterday. They include Mr John Beckett, chief executive, and Sir Gerald Thorley, non-executive chairman.

The statement came three weeks after British Sugar, Britain's monopoly beet sugar producer, finally conceded defeat in its long and bitter battle against the £282m takeover bid from S. & W. Berisford, the commodity dealers.

The other directors leaving are Mr Rodney Lund, marketing director, and Mr P. Prior and Mr A. McCorquodale, both non-executive directors. The changes will mean Berisford will have a majority on British Sugar's board although four existing British Sugar executive directors — including Mr Geoff Mulcahy, finance director—are remaining with the company.

Five Berisford directors, among them Mr Ephraim Margulies, Berisford chairman, joined British Sugar's board on August 4.

British Sugar said yesterday Mr Margulies would become executive chairman of British Sugar soon. Mr Gordon Percival, another Berisford director already on the British Sugar board, would become managing director.

British Sugar said Mr Beckett, whose annual salary is more than £60,000, and Mr Lund both had three-year rolling contracts with the company. Compensation terms were being discussed.

Both Mr Beckett and Mr Lund were on holiday, British Sugar said.

France keeps clamp on spending

BY DAVID HOUSEGO IN PARIS

FRANCE'S Socialist Administration yesterday announced a restrictive budget for 1983 involving tight control of public expenditure in line with the Government's priority of bringing down inflation.

The deficit is to be held to FFr 118bn (£9.8bn) — the equivalent of 3 per cent of gross national product, the same ceiling as for 1982. This marks a sharp reversal of the expansionary budgets of the first year of Socialist rule which helped boost the deficit from FFr 30bn in 1980 and added to inflationary pressures.

Spending will be increased by only 12 per cent, not much above the expected inflation rate, to FFr 81bn after a 27 per cent rise in 1982. Revenue is expected to rise by 10 per cent to FFr 766bn.

No new taxes were announced for those in the lower to middle income bracket although they are expected to suffer later in the year when social security contributions are raised. The Government emphasised that the total burden of taxation remains unchanged at 18.3 per cent of GNP.

As part of the Government's policy of income redistribution, M Laurent Fabius, Minister for the Budget, announced that the top tax rate was to be raised from 60 to 65 per cent. The Government also plans to maintain the exceptional levy it brought in last year for those with high incomes. But the rate is being dropped from 10 to 7 per cent and the threshold raised from FFr 25,000 a month to FFr 28,000.

These changes are more moderate than expected. The Government appears to have abandoned the major redistribution of taxation hinted at by M Pierre Mauroy, the Prime Minister, in July. The budget confirms tax concessions announced last week to encourage investment in equities and bonds.

Industry is one of the few sectors to benefit from additional allocations of funds, reflecting the Government's priority of modernising the manufacturing sector.

The civil research budget is raised to FFr 32.5bn, a 17.8 per cent increase in real terms. Of this, the appropriation for electronics is being tripled to FFr 1.8bn, aeronautics will obtain a 35 per cent increase, to FFr 2.8bn and aerospace 24 per cent more, to FFr 2.2bn.

The Government is providing a further FFr 11bn in capital endowments for the nationalised industries. FFr 7.5bn will go to the competitive nationalised sector and FFr 2bn to SNCF, the state railway.

The budget assumes a 2 per cent growth rate next year after a 1.7 per cent increase in GNP in 1982.

Losses soar for top insurers

BY ERIC SHORT

FURTHER EVIDENCE of the many problems facing the UK insurance industry came yesterday when three more major insurance companies published poor half year results.

Sun Alliance Insurance, the largest insurer of private property in the UK, saw underwriting losses soar from £8.6m in the first half of 1981 to £49.9m in the six months to June 30. Guardian Royal Exchange's underwriting losses almost doubled from £21.8m to £40.4m and Phoenix Assurance's more than doubled from £13m to £27.3m.

The effect on pre-tax profits was severe for Sun Alliance and Phoenix, where strong growth in investment income failed to cover these higher losses.

Sun Alliance had its profits slashed from £23.3m to £7.7m. Phoenix, with £16.9m a year before, was also down to £7.7m. GRE fared much better, thanks to last year's rights issue, which produced more investment income. Its pre-tax profit fell marginally from £36.3m to £35.7m.

The immediate cause of the profits deterioration was last winter's severe weather in the UK. This cost Sun Alliance £16½m in adverse weather claims, while GRE paid out £16m and Phoenix £8m. But the problems currently faced by the UK insurance groups do not end with bad weather, a normal hazard for insurance underwriters.

Keen competition and overcapacity in most major world insurance markets, especially the U.S. and UK, is leading to premium rate cutting, which in turn means higher claim costs, higher expenses and lower growth in investment income. These trends would have stood out clearly, but for the impact of weather losses.

All three companies reporting yesterday adopted a cautious policy on dividends. Sun Alliance and Phoenix kept their interim unchanged, while GRE raised its by a mere 3.7 per cent.

The market, expecting poor figures, was relieved by the GRE and Phoenix results and their share prices improved 10p and 2p to 312p and 264p respectively. The severity of Sun Alliance's losses caused its share price to fall 10p to 750p.

Details, Page 16

Continued from Page 1

Mexico

property in the U.S. worth $25bn.

Over the past three years, he said, at least $22bn had gone out of the country. Until August 5 there was total freedom in convertibility of foreign exchange in Mexico.

It was not clear whether Citibank would be affected by the nationalisation move. Citibank is the only foreign bank in Mexico which is allowed full branch facilities. Other foreign banks maintain representative offices in Mexico City.

The nationalisation announcement was greeted with wild applause. The Left, in particular, has long called for the nationalisation of the banks, whose profits have been extremely high in recent years.

UK surplus

Continued from Page 1

disruption caused by last year's civil servants' strike.

The estimate of £6.036bn is subject to further revision since export figures for July and August last year are still missing.

The figure is based on a more pessimistic view of the balance of both visible and invisible trade last year. The surplus on invisible trade is now put at £3.02bn, about £320m less than the estimate published in March.

For visible trade, it is estimated that there was little change in the volume of imports or exports in 1981 compared with 1980. Exports increased in value, however, by about £3.7bn and imports increased in value by £1.9bn.

An increase of £1.3bn in the surplus on invisibles from 1980 to 1981 was almost entirely accounted for by the rise in interest, profits and dividends received from overseas. Increased interest payments to the banking sector were a major factor.

United Kingdom Balance of Payments (1982 edition): SO; £9.75.

Continued from Page 1

Howden

Howden income and other financial statements prior to the acquisition.

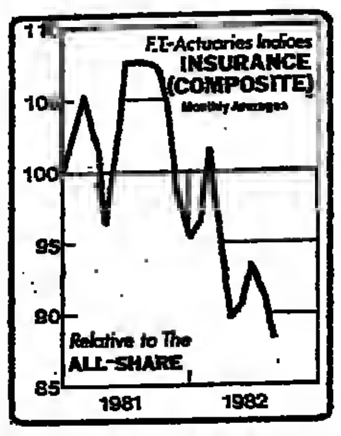
It is believed that Mr Posgate suggested the audit earlier this year although Alexander & Alexander did not start the audit until some time later. Mr Posgate, who stepped down as chairman of the Lloyd's underwriting management company arm of Howden last week, remaining as underwriter, never had beneficial interests in any of the companies which transacted business with the underwriting syndicate.

THE LEX COLUMN

Composites look to their claims

September got off to a sleepy start in the gilt-edged market, with little for brokers to do except advise their clients to prepare to exercise their conversion option on Exchequer 12 per cent 1985, and work out how much money they made in August. Both activities result from last month's amazing gilt-edged boom, which took Stock Exchange turnover up by nearly a third from the record level of July to £32.9bn. The level of equity business yesterday was not going to break any records, but the strength of Wall Street kept prices in London moving upwards.

Index rose 8.9 to 581.6



Composites

In spite of broadly similar experience worldwide in terms of rates and premium income growth, Guardian Royal Exchange and Sun Alliance have announced sharply divergent first half figures at the pre-tax level. GRE's interim profits have fallen by a most marginal £0.6m to £35.7m, while Sun Alliance has come crashing from £41.1m to £10.1m. Somewhere in between the pre-tax profits of Phoenix Assurance have fallen by £9.2m to £7.7m.

A common theme is the depredations of the weather last winter in the UK. GRE has experienced £16m of severe weather claims, while the Sun Alliance figure is estimated at £16½m. The experience on investment income also runs down parallel tracks. Stripping out the income from the cash obtained in last year's rights issue, as well as exchange movements, GRE's income from this source has risen by 20 per cent. Sun Alliance is close behind with a gain of 18.4 per cent. On premium income too, the experience has been similar. Again stripping out currency effects, the rise has been 6 per cent at GRE and 6.6 per cent at Sun Alliance.

There are signs that GRE has been more aggressive in controlling costs, at least in the UK. But the main reason for the divergence between the two companies seems to have been a different claims experience. A year ago GRE was reporting exceptionally large losses in places like Australia, South Africa and France, which have now dropped out. Sun Alliance, by contrast, has had to provide a further £5.6m in the U.S. for claims against medical practitioners. Meanwhile, its business mix in the UK seems to have placed it in a more vulnerable position. In particular, fierce competition in the important fire market has forced down rates substantially in recent months. More generally, a light period for claims a year ago has been superseded by a period in which they have been arriving in bucketfuls.

In some markets GRE has now started to push up rates regardless of the market share consequences. In Canada in particular, it has been prepared to see a 30 per cent decline in its business in terms of exposures. Sun Alliance, by contrast, has already shrunk its book in this market so far that it has reached a stage where it has a choice of staying in or pulling out entirely; staying in has meant doubling its underwriting loss to £4.3m — a level which exceeds investment income.

For both companies the underlying trends in the UK and the U.S. still seem to be deteriorating. The current half is likely to show a less divergent performance, which suggests that the narrowing in the traditional premium of the Sun Alliance rating may have reached its limit. The share price fell 12p yesterday to 750p, while GRE rose 10p to 312p.

Babcock

Babcock's 140 per cent increase in half year profits was greeted with a palpable sigh of relief by the market yesterday, although at £8.3m pre-tax the company is still generating only about half its earnings of three years ago. Even so, Babcock seems to have made a mild dent in the engineering industry's current trend, and the results might even awaken some interest in the rest of the sector.

Most of the improvement has come through in the UK, where Babcock has taken the axe to a lot of dead wood in the last two years, closing big loss makers such as Gloucester Foundry. But the big surprise is that, in sharp contrast to the current gloom emanating from the CBI, Babcock has found encouraging signs of a climb out of the recession. Overall domestic turnover was up 10 per cent, with virtually the whole of the power, electrical and mining activities chipping in a contribution. This leaves the main problems overseas, although cost-cutting in the U.S. continues.

Although the maintained interim dividend is just covered by historic cost profits before extraordinary items, Babcock is showing a first-half retained loss of £9.3m on a current cost basis, which does not suggest much to get dividends moving from their four-year plateau. The shares rose 6p to 120p yesterday, giving a prospective yield of around 8.5 per cent.

Money markets

The collection of petroleum revenue tax used to cause a fortnight's chronic indigestion in Lombard Street, but now it slips down as easily as a Bank of England cucumber sandwich. The Bank's benevolent habit of turning a blind eye to the late presentation of PRT cheques is now so well known that a good chunk of the £1.4bn due yesterday must have been drawn on Scottish banks and posted by second class mail from the Shetlands.

This spreading of the payment over a couple of days, combined with a bunching of government disbursements and a fall in the note issue after the Bank Holiday weekend, kept the credit shortage yesterday to a very manageable £700m. The Bank admitted to some £546m of help — now that immediate interest rate expectations are less bullish, it had little trouble in buying bills outright. And judging by the very sloppy look of the overnight interbank market at the close, a fair amount of unacknowledged official lending was done late in the day.

In contrast to the overnight rate, period interbank money has now edged up by some ¼ points from its low point early last week. More PRT payments today, and nearly £1bn of maturing sale and repurchase contracts on bills in the next fortnight should keep the markets fairly tight. Tightness in itself is not an obstacle to a further reduction in official dealing rates, but the markets seem to expect a pause.

Weather

UK TODAY

MAINLY dry with showers and bright intervals. Temperatures near normal.

South West England, Channel Islands

Cloudy, drizzle, hill and coastal fog at first, dry later. Max 19C (66F).

North Scotland, Orkney, Shetland

Sunny intervals, showers. Max 15C (59F).

Rest of England, Scotland and Wales

Dry with sunny periods. Max 19C (66F).

Outlook: Mostly dry, rather warm, some rain in the far north.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	23	73	L. Ang.†	F	20	68
Algiers	C	20	68	Luxmbg.	C	18	61
Amsdm.	C	18	61	Luxor	S	39	102
Athens	S	30	86	Madrid	S	24	75
Bahrain	S	35	95	Majorca	C	24	75
Barclna.	S	24	75	Malaga	S	28	82
Beirut		—	—	Malta	S	30	86
Belfast	S	18	61	M'chstr	C	16	61
Belgrd.	S	25	77	Melbne.		—	—
Berlin	C	18	68	Mx. C.†		—	—
Biarritz	S	19	66	Miami†	R	26	79
Bmghm.	C	17	63	Milan	F	23	73
Blackpl.	C	15	59	Montrl.†	C	12	54
Bordx.	S	19	66	Moscow	C	25	77
Boulgn.	C	17	63	Munich	C	15	59
Bristol	R	18	64	Nairobi	C	25	77
Brussels	F	18	64	Naples	C	26	79
Budpst.	F	24	75	Nassau		—	—
Cairo	S	35	95	Nwcstl.	S	17	63
Cardiff	R	17	63	N. York†	C	21	70
Cas'b'ca	S	25	77	Nice	R	18	64
Cape T.	S	19	66	Nicosia		—	—
Chicg.†	Fg	19	66	Oporto	S	26	79
Cologne	F	17	63	Oslo	S	18	64
Cpnhgn.	C	18	61	Paris	R	20	68
Corfu	S	31	88	Perth	F	15	59
Denver†	S	13	55	Prague	C	18	64
Dublin	C	15	59	Rykjvk.	C	9	48
Dbrvnk.	S	26	79	Rhodes	S	28	82
Ednbgh.	F	17	63	Rio J'o†		—	—
Faro	S	28	82	Rome	R	20	68
Florence	C	24	75	Salzbrg.	C	17	63
Frankft.	C	17	63	S'cisco†	F	11	52
Funchal	S	24	75	S. Mritz.		—	—
Geneva	S	18	64	Singapr.	C	30	86
Gibrltr.	S	25	77	S'tiago†		—	—
Gl'sg'w	S	16	61	Stckhm.	R	15	59
G'rnsey	C	15	59	Strasbg.	F	18	64
Helsinki	R	16	61	Sydney		—	—
H. Kong	C	31	88	Tangier	S	30	86
Innsbrk.	S	16	61	Tel Aviv	S	28	82
Invrnss.	C	14	57	Tenerife	S	25	77
I.o.Man		—	—	Tokyo	S	30	86
Istanbul	S	29	84	T'rnto†	C	14	57
Jersey	C	18	61	Tunis	R	27	81
Jo'burg	F	24	75	Valencia	S	24	75
L. Pims.	C	24	75	Venice	S	22	72
Lisbon	S	29	84	Vienna	C	20	68
Locarno	S	22	72	Warsaw	S	22	72
London	R	15	59	Zurich	C	15	59

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny.
† Noon GMT temperatures.

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No wonder companies like Plessey, Logica, VTS, Roussel, Raychem, Intel and Square D were attracted to Swindon. They know one end of the corridor from the other.

Get the facts from Douglas Smith, Industrial Adviser, Civic Offices, Swindon. Tel: (0793) 26161 or Telex: 444548.

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